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Southeast Asia Report

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SOUTHEAST ASIA REPORT

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MALAYSIA'S BADAWI ON JOINT OPERATIONS AGAINST COMMUNISTS

Jakarta ANTARA NEWS BULLETIN in English 30 Sep 86 pp A7, A8

[Text] Jakarta, 30 Sep (ANTARA)--Military operations are still necessary though the strength of the communist insurgents at the Malaysia-Indonesia and Malaysia-Thailand borders is no longer a serious threat, Malaysian Defence Minister Datuk Abdullah bin Haji Badawi said.

Answering reporters after his meeting with President Soeharto here Tuesday, Datuk Abdullah said the Malaysian and Indonesian armed forces had succeeded in suppressing the armed communists at the common border in North Kalimantan and those at the Malaysia-Thailand border. These communists had been unable to develop their strength.

"Their strength had been so reduced that they are no longer a serious threat," Datuk Abdullah said.

However, he added, Malaysia and Indonesia should continue to be vigilant. Communists are always waiting for opportunities to expand their power.

He said he believed the communists' strength in the Philippines would not generate much influence if Malaysia and Indonesia continue to be vigilant.

Defence Minister Datuk Abdullah is on a visit to Indonesia to meet his Indonesian counterpart and other Indonesian officials and to inspect several defence-related industries.

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CSO: 4200/48

SAUDI LOAN FOR SMALLHOLDER NUCLEUS ESTATES

Jakarta ANTARA NEWS BULLETIN in English 1 Oct 86 p A8

[Text] Jakarta, 1 Oct (ANTARA)--The Saudi Arabian Government has provided a loan of US\$25 million to Indonesia for funding the development of an oil-palm nucleus estate in southern Bengkulu, it was learnt here Wednesday.

The loan agreement was signed here Wednesday by Finance Minister ad-interim J. B. Sumarlin on behalf of the Indonesian Government, and Prof H. E. Mohamad A. Alsugair, Deputy Director of the Saudi Fund for Development, on behalf of the Saudi Arabian Government.

Under the agreement, the loan will be repaid during a period of 20 years, including a grace period of five years with an interest rate of three per cent per annum.

It is the second loan from the Saudi Arabian Government for estate development in Indonesia, while the previous loans from the kingdom had been used to finance the extension of the Sriwijaya fertilizer plant in Palembang, the construction of the Surabaya-Malang toll road, the Padalarang-Cileunyi toll road, the sugar cane nucleus estate in Peleihari and the Arakundo Jambu aye irrigation network.

The southern Bengkulu oil-palm nucleus estate, situated at Talo Pino and Sekuma sub-districts will cover an area of 8,000 hectares and is expected to be completed in 1992.

The development of the nucleus estate is estimated to cost US\$70 million and will be jointly financed under the loan agreements with the Saudi Arabian Government (US\$25 million), the World Bank (US\$2.5 million), and by the state-owned oil-palm estate PTP 23 and state-owned banking corporations.

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CSO: 4200/48

ASEAN MILITARY EQUIPMENT PROGRAMS VIEWED

BK130955 Jakarta SINAR HARAPAN in Indonesian 3 Oct 86 pp 1, 8

[Article by defense correspondent Atmadji: "Initiating Defense Cooperation Without Turning ASEAN Into Military Pact"]

[Text] The fact that a member of parliament raised the issue of defense cooperation among ASEAN countries in a parliamentary hearing with Armed Forces Commander General Murdani a few days ago indicates that despite denials that ASEAN is not a military pact, people still want to know more about the truth.

In 1982, Singapore Prime Minister Lee Kuan Yew noted that joint military exercises between two ASEAN countries were no longer adequate to cope with existing military threats. The answer to the threats should be a joint exercise in which all ASEAN countries take part.

However, such a controversial idea has gained no enthusiastic response from other ASEAN partners. During the parliament hearing a few days ago, the armed forces commander did confirm that Indonesia regularly holds joint exercises with each member of ASEAN, but it has never held any exercise with more than one ASEAN country at the same time.

This shows that Indonesia is most sensitive to allegations that ASEAN has become a military pact because the regional grouping has held joint exercises involving more than two countries.

One thing ASEAN has never denied is the fact that it has purchased an almost identical system of armament. Even Armed Forces Commander General Murdani indirectly confirmed the fact when he was briefing newsmen on the planned purchase of the F-16 "Fighting Falcon" jet fighters. He said the maintenance of these sophisticated aircraft will be less costly if the owners of these aircraft make a joint purchase of their spare parts. He also noted the disadvantage of purchasing spare parts for Mirage jet fighters, which none of the ASEAN countries have in their arsenal.

Cooperation in the maintenance of aircraft was even initiated some time ago by the Indonesian Air Force which sent its C-130 Hercules for repairs at an aircraft maintenance center in Malaysia. The Indonesian Air Force's own maintenance center in Bandung can actually do the job, but the aircraft was sent to Malaysia anyway because it was part of the maintenance cooperation between the two countries.

Malaysia even made a more realistic proposal by suggesting that a purchase of weapons or armament systems in the future be conducted in a joint purchase package to enable the two countries to get cheaper prices from the manufacturers.

What kind of armament systems do all ASEAN countries have? Perhaps the only standard weapon owned and used by all ASEAN countries' armed forces now is the M-16 assault rifle, which has become a standard weapon in the Philippines and Thailand, two close allies of the United States, since early 1970's. Until 1977-78, the Indonesian Army had no standard weapon. Elite troops, including the red beret Special Forces Corps, were among those first soldiers armed with M-16 rifles, followed by the airborne troops of the Army Strategic Command. Other units were at that time still using the less versatile BM-59 rifles. Earlier, elite troops were equipped with the Soviet-made AK-47 assault rifles.

Produced by the "Colt" weapon factory, the M-16 assault rifles are considered to be suitable for Asian infantrymen because of their lightness and ability to fire on various modes. These rifles have now even been assembled locally in the Philippines, Singapore, and Indonesia.

In the 1980's, several countries in this region expressed a desire to own a new type of assault rifle more suitable to the physical condition of the region. The M-16's are excellent assault rifles currently being used in many countries, but in Indonesia, they are considered to be "spoilt kids" because they require more meticulous maintenance than the AK-47's.

For this reason, a decision was made to introduce a new standard weapon, namely the FNC rifles, which are considered to be more suitable to conditions in Indonesia. At the same time, Singapore also began to use the SAR-80 rifles for its infantrymen.

However, such a decision does not affect military units who are using the M-16's because of the similarity of the bullet calibers. Thailand can be seen as a noteworthy case because some of its military units are still using HE-3 rifles produced by the Heckler-Koch factory. The bullet caliber for these rifles is 5.56 mm or the same as that used for the M-16's.

Jetfighters

ASEAN countries also share similarity in the types of jetfighters they commission for their air forces--all of them have F-5 jetfighters, except Brunei, which is concentrating on developing an "all helicopter airforce" [three preceding words in English]. However, while the Philippines are using the F-5A's, which is an older version of the F-5's, Thailand, Malaysia, Singapore, and Indonesia are using the most advanced model, namely the F-5E "Tiger II" jetfighters.

Indonesia, Malaysia, and Singapore also have the A-4 tactical jetfighters even though these aircraft have different "history" of procurement. Singapore has the rather older version of the A-4's, but these aircraft have been equipped with more advanced avionics system than those belonging to the two neighbors. Malaysia even purchased the A-5 "Skyhawk" planes which the United States had

kept in their "natural habitat" in Texas. The Grumman factory then "reconditioned" the planes whose price had obviously become very cheap. The Indonesian Air Force bought two squadrons of A-4 tactical jetfighters from an unidentified country.

Thailand initiated the purchase of the sophisticated F-16 "Fighting Falcon" and tried hard to obtain the F-16/F-100 model currently still in service in the U.S. Air Force, instead of accepting the U.S. offer to sell the F-16/79 model, often dubbed as being "export quality." This was followed by Singapore, which did not distinguish between the "export quality" and the more powerful "domestic quality" models. As for Indonesia, it has decided to purchase the F-16/F-100 model.

Guided Missiles

All ASEAN countries, except Brunei, have C-130 Hercules transport planes and the Indonesian Air Force is the largest operator of these planes--it has two squadrons of two different models. The 32d Squadron, based on the Abdulrahman Saleh Air Base, has the C-130 B model, the 31st Squadron, based at the Halim Perdanakusumah Air Base, has the more advanced C-130 H model.

The Royal Malaysian Air Force has one squadron of maritime patrol planes--the largest number in the region. In the past, the Indonesian Air Force used to have such maritime patrol planes.

The Exocet guided missile, which became famous during the Falkland war, was put into service in the Indonesian Navy 3 years before that war. These missiles are now installed on eight Indonesian Navy warships. The Malaysian, Thai, and Brunei Navies have also installed these French-made missiles on their warships.

The Singapore Navy uses a rather different type of antiship guided missile, namely the Israeli-made "Gabriel" missile, while several fast boats of the Thai Navy are equipped with the "Harpoon" missile, the standard naval armament of the U.S. Navy.

Air Defense System

The latest armament system owned by some ASEAN countries is the medium-range antiaircraft missile. Singapore was the first country to buy the "Rapier" missiles, produced by the British Aerospace factory, and this was followed by Brunei. Last year, Indonesia became the third country in ASEAN to have these missiles.

An important part of a total air defense system called "Air Defense Command Environment" (four preceding words in English) consists of radar system and air-borne early warning system. Malaysia and Singapore, which signed a joint air defense agreement with Britain, Australia, and New Zealand, have already had a similar air defense system. Singapore has even ordered the purchase of two E-2C "Hawkeye" early warning planes and will certainly integrate them into its existing air defense system.

Thailand has not yet developed an air defense system and is now studying a U.S. company's offer to build one. The Philippines relies on the air defense system of the U.S. Air Force's Clark Air Base and Indonesia is now building its own system based on the French-made "Thomson" radar system.

The safest method of defense cooperation among ASEAN without turning it into a military pact is through a standardization of its armament system so long as the effort does not affect the interests of each member country. Another method is through an expansion of bilateral joint exercises. This is a sufficient level of cooperation because the threat faced by each ASEAN member country will not reach the point where it can be occupied by other countries.

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CSO: 4213/4

COMMENTARY ON PROPOSAL TO HOST NONALIGNED SUMMIT

BK141603 Jakarta Domestic Service in Indonesian 1200 GMT 14 Oct 86

[Station Commentary]

[Text] Indian Prime Minister Rajiv Gandhi, who ended a 23-hour visit to Indonesia this morning, yesterday held talks with President Suharto both on bilateral issues and on Indonesia's proposal to host the next summit meeting of the Nonaligned Movement. Even though the Indian Government's stance on the proposal is not clear, it seems that Rajiv Gandhi supports the Indonesian Government's and people's desire to host such a summit.

As far as Indonesia is concerned, the venue for the ninth summit meeting of the Nonaligned Movement in 1989 is not the main problem. What is most important is how to make the movement return to its political purity as outlined in the first summit meeting in 1961. Indonesia submitted the proposal to host the summit because, before the last summit meeting in Harare, there were certain views at the International Parliament Union [IPU] meeting that did not reflect the nonaligned way of thinking. However, such views were voiced by members of the Nonaligned Movement.

Besides aspiring to safeguard nonaligned principles, the Indonesian Government also believes that the current world situation has greatly changed; namely the majority of nations have not gained their independence. Therefore, the most important issue in the movement should be economic cooperation.

However, this does not mean that the Nonaligned Movement has renounced its support for the struggles against imperialism; colonialism and neocolonialism; apartheid; racism; Zionism; and all forms of foreign aggression, occupation, domination, hegemony, and intervention. These nonaligned principles are still relevant to us in our efforts to realize a new world based on freedom, equality, justice, peace, and progress.

If there is a view that it is Latin America's turn to host the next summit--namely Nicaragua--we might as well ask whether nonaligned principles can be restored to their original position of 1961? It is no secret that Nicaragua is a pro-Soviet communist country, which consistently expresses views unbecoming to nonaligned principles at the IPU meetings.

Of course we do not want a repetition of the summit meeting in Havana, when the meeting obviously favored one particular bloc. If we look at the rotation of past venues, the summit meeting has been held on that continent, namely in Havana in 1979. The summit was also held once in Europe, twice in Asia, and four times in Africa, namely in Lusaka, Cairo, Algiers, and Harare. As such, Indonesia's proposal to host the next summit meeting is quite reasonable in view of the efforts to safeguard the purity of nonaligned principles and the fact that Indonesia, as one of the founders of the movement, has never had the chance to host one.

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CSO: 4213/4

MINISTER ON USE OF WORLD BANK LOAN; RICE, SUGAR PRODUCTION TARGETS

Jakarta ANTARA NEWS BULLETIN in English 1 Oct 86 p A3

[Text] Jakarta, 1 Oct (ANTARA)--The ministry of agriculture has since 1979 only been capable of utilizing US\$391.29 million or 29 percent of the US\$1,336.07 million loans it has received from the World Bank (WB) and the Asian Development Bank (ADB).

The loans from both banks constitute 85 percent of the total foreign loans Indonesia has received for its agricultural projects. Agriculture Minister Achmad Affandi pointed out at a hearing to discuss the 1987/1988 state budget with Commission IV of Parliament here Tuesday.

The delay in the implementation and utilization of the foreign loans, the minister said, was mainly due to the limited supplementary budgets in the last several years. Efforts are being carried out to change the rupiah cost ratio vis-a-vis the foreign loan costs, he added.

Rice Production Target in 1987

The minister of agriculture went on to say that the rice production target for 1987 was set at 27,112,000 tons from a harvest area of 9,859,000 hectares with an estimated average production of 2.75 tons per hectare.

The projected production target for 1987 means an increase of two percent in the previous year's production, which stood at 26,585,000 tons, while the projected harvest area will increase by 0.79 percent from 9,781,000 hectares in 1986 to 9,859,000 hectares in 1987, he said.

Sugarcane Production Target

The agriculture minister further pointed out that the production target for special sugarcane plantations was scheduled to increase by 30.21 percent, viz. from 1,986,000 tons in 1986 to 2,586,000 tons in 1987.

He further said that the total cultivated area for intensification of plantation commodities for the 1987/1988 fiscal year was scheduled to increase to 621,000 hectares from 486,500 hectares in 1986/1987, covering cultivation intensification for plantation commodities, such as sugarcane, cotton, jute and tobacco.

OFFICIAL DISCUSSES TALKS ON DOUBLE TAXATION

Jakarta ANTARA NEWS BULLETIN in English 1 Oct 86 p A4

[Text] Jakarta, 1 Oct (ANTARA)--Indonesia would continually take the initiative in organizing talks with friendly countries to reach an agreement on the prevention of double taxation in a bid to boost investment and cooperation in the field of economy.

Suratno M. Wigeno from the Directorate General of Taxation said Tuesday that in the coming three months four countries had conveyed their readiness to hold talks with Indonesia.

He mentioned New Zealand which would enter the second stage of talks here next month and talks with Sweden due to take place in Sweden on 6-10 October.

Talks with Italy was scheduled to take place in Italy next month followed by a meeting with Switzerland in Switzerland next December.

The fifth renegotiation meeting with the Netherlands was scheduled to take place this month. An agreement between Indonesia and Netherlands has been ratified, Suratno said.

He said Sri Lanka had also requested to hold such talks in Sri Lanka next year.

Suratno expressed the hope that with the double taxation prevention agreement the business circles from those friendly countries would enjoy tax facilities when they make investments and do business in Indonesia.

Nine Countries

To date nine countries had already ratified the agreement on the prevention of double taxation with Indonesia namely Canada, the United Kingdom, the Netherlands, France, West Germany, Belgium, Japan, the Philippines, and Thailand.

Eight other countries which had endorsed the draft agreement were East Germany, Austria, the U.S., Norway, Finland, Malaysia, India and Singapore.

The agreement would be implemented when those countries had ratified it, Suratno said.

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CSO: 4200/48

VALUE OF OIL EXPORTS UP, LNG EXPORTS DOWN

Jakarta ANTARA NEWS BULLETIN in English 29 Sep 86 pp A11, A12

[Text] Jakarta, 29 Sep (ANTARA)--The export value of Indonesian crude oil in the first seven months (from January through July) of 1986 recorded an increase of some 11.6 percent, compared with the corresponding period of the previous year, according to temporary data, obtained by ANTARA from Bank Indonesia Monday.

The export value of Indonesian crude oil in the first seven months of 1985 recorded a value of US\$5,037 million, while the corresponding period of 1986 stood at US\$5,622 million, an increase of US\$585 million or 11.6 percent.

Out of the US\$5,622 million earnings, US\$2,657 million were earned by Pertamina state oil company and the remaining US\$2,964 million by foreign oil companies.

Indonesia's crude oil exports had for the greater part the U.S., Japan and South Korea as countries of destination.

In the meantime the export value of Indonesian liquefied natural gas (LNG) during the first seven months recorded a decline of about 17.8 percent, compared with the corresponding period of the previous year.

The export value of Indonesian LNG in the first seven months of 1985 stood at US\$2,270 million, while the corresponding period of 1986 at US \$1,865 million, which was a decline of about US\$405 million or 17.8 percent.

Indonesian LNG which was for the greater part exported to Japan, came from the Badak field (US\$902.06 million) and from the Arun field (US\$963.04 million).

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CSO: 4200/48

MONEY IN CIRCULATION, BANK CREDIT CEILING UP

Jakarta ANTARA NEWS BULLETIN in English 30 Sep 86 p A3

[Text] Jakarta, 29 Sep (ANTARA)--Bank Indonesia released a report Monday that the total amount of money supply in the first half of 1986 increased by 9.3 percent over that in the corresponding period of 1985.

In the first half of 1985 it was calculated that money circulation reached some Rp 9,428 billion (about US\$5.734 billion; one dollar US is worth Rp 1644), while in the same period in 1986 the figures went up to Rp 10,303 billion (ca. US\$6.267 billion) or an increase of Rp 875 billion (ca. US\$532 million) or 9.3 percent.

The circulated Rp 10,303 billion in the first six months of 1986 consists of currency amounting to Rp 4,871 billion (47 percent) and bank deposits including cheques and certificate bills totalling Rp 5,432 billion (53 percent).

Meanwhile, in the second week of July 1986 the amount of money circulated went down to Rp 10,001 billion, comprising the currency totalling Rp 4,638 billion (46 percent) and bank deposits amounting to Rp 5,368 billion (54 percent).

The data reflects that bank deposits continue to increase, indicating that more people are now using banking services than they had before.

The increase of money circulation was due to the assets achieved as well as claims and money deriving from the time savings and insurance (TASKA) and the national development savings (TABANAS).

Bank Loans

The ceiling of bank credits to provide funds for the nation's economic growth continues to rise both in rupiah and in foreign currencies.

In 1983 the credit ceiling (in rupiah and other currencies) stood at Rp 18,588 billion.

In 1984 the figures increased to Rp 22,736 billion, in 1985 up to Rp 29,411 billion and in the third week of July 1986 it jumped further to Rp 30,798 billion.

Of the total Rp 30,798 billion credit ceiling the money was distributed to state banks amounting to Rp 20,937 billion, regional development banks Rp 958 billion, private national banks Rp 6,177 billion, foreign banks Rp 1,495 billion and directly from Bank Indonesia (the central bank) Rp 1,231 billion.

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CSO: 4200/48

MINISTER SAYS INDUSTRIAL SECTOR INVESTMENT REMAINS FAVORABLE

Jakarta ANTARA NEWS BULLETIN in English 1 Oct 86 p A1

[Text] Jakarta, 30 Sep (ANTARA)--Investment in the industrial sector in 1986 is still showing a favourable picture, despite the current poor economic situation.

During the first semester of 1986 investment in the industrial sector reached a value of Rp 2,029.09 billion, which was an increase of 8.5 percent compared with the corresponding period in 1985, Minister of Industries Hartarto said at a hearing with Commission VI of Parliament, chaired by the commission chairman Sunaryo Hadade, here Tuesday.

Investment in the industrial sector, Minister Hartarto said, has a very important role, because the value reached during the first semester of 1986 has already reached 59.40 percent, if compared with the overall investment value in 1985, which stood at Rp 3,416.06 billion.

The minister of industries further explained that until the first semester of 1986 some 1,979 industrial projects had been approved, or 50.36 percent, if compared with the corresponding period of 1985.

The agreed number of projects, he said, covers 308 multifarious industrial projects, 35 projects in the basic chemical sub-sector, 79 engineering and basic metal industrial projects and 1,562 projects in the small scale industry sector.

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CSO: 4200/48

EDITORIAL VIEWS ADVERSE EFFECT ON DEVALUATION ON BANKS

Jakarta BUSINESS NEWS in English 8 Oct 86 p 2

[Editorial: "A Vulnerable Situation for the Banking Sector"]

[Text]

That a completely illogical suggestion such as the freezing of time deposits and its replacement with bonds has caused a fairly large number of depositors to withdraw their money from banks serves as very clear evidence of the slim public confidence in the rupiah and the government's economic policy since the devaluation of September 12. Everybody with enough common sense can expect that such a measure will definitely destroy and kill the banking system because time deposits constitute a very important source for the funding of banking operations. The government surely will not adopt this measure.

It seems that the government is less aware of the "devaluation of confidence" already taking place since the rupiah devaluation and therefore has made no massive official denial through all the existing mass media. Minister of Finance a.i. Sumarlin only denied the rumour through a newspaper in Jakarta, which apparently was more "sensitive" than the other papers to regard it as a very important piece of news and ask for an interview on this matter. But unfortunately, though the news made a headline, the daily's circulation is not so big. Besides, the denial is not published in the paper that for the first time carried the issue.

As many people do not read the official denial, several banks have over the past week been facing great difficulty because quite a number of major customers are withdrawing their deposits. Many of them are also prepared to return interest and pay the penalty required for terminating their deposits prematurely. Most of the deposits withdrawn are spent on foreign currencies and/or transferred as time deposits abroad.

Even after the rush to withdraw the deposits the government has not yet made any official denial widely, for instance by holding a press

conference to be attended by all the mass media, RRI as well as TVRI. Minister Sumarlin again denied another rumour through one paper only -- this time concerning the speculation as if the government would abandon the free foreign exchange system. He emphasized that the rumour is groundless, and in order to remove public anxiety the government has again revoked the Circular of the Director General of Taxation (No. SE-39/PJ.22/1986 dated September 17 on the taxation of the difference of exchange rates involving debts and claims, debt swaps as well as time deposits in foreign currencies as a result of the September 12 devaluation. The provision on the taxation of the exchange rate difference in the foreign currency time deposits was already revoked on October 2, and now both the circular dated September 17 and the other dated October 2 (No. SE-42/PJ.2/1986) are annulled. The two circulars are replaced by a new one (No. 43/PJ.21/1986 dated October 6).

It must be admitted that in facing such a situation the government is in an awkward position. Even if a massive denial is made, there is always the possibility that the public fail to share full confidence. But anyway such a massive official denial is still psychologically better, because it indicates the government spirit to correct the negative impacts arising from the devaluation.

Naturally the "devalued" confidence cannot be restored all at once. For the restoration the public have to see and feel for themselves that the government makes use of the devaluation as a turning point to correct the policy that has caused economic stagnation so far, viz. the source of high cost such as trade monopolies through appointed importers and exporters, excessive licensing, and the like.

Meanwhile, the intermingly with the required conversion of time deposits into rupiah and through how the September 12 devaluation does not seem to have been well prepared, and the complementary measures do not seem to have been planned as a whole package in advance. This in fact can already be seen from the complementary moves thus far taken, which are marginal in nature, such as the possibility of untaxed revaluation of assets, the adjustment of civil contracts and the increase of fiscal charges on foreign trade.

The revocation of the circular of the Director General of Taxation will not help promote public confidence either, that the government had sufficient preparations when the rupiah devaluation was decided. But nevertheless this is better than leaving the panic to spread even wider. Let us hope that the government will later have more courage to adopt moves that hit the source of cost stagnation.

tion, and in this way can gradually restore public confidence in its policies and pledges.

In the meantime, this intermezzo has reversed the favourable trend already discernible previously in the banking system : several banks already lowering their interest rates when they began to raise them again for fear of exhaustion of funds. The increase especially involved one and three-month deposits so that banking funds will become even more short-term in nature. Another development is that the intermezzo has caused a reactive fall in flight abroad, which is not supposed to be prevented by the government with the devaluation.

/9274

CSO: 4200/48

BRIEFS

TWO AMBASSADORS PRESENT CREDENTIALS--President Suharto received credentials from two new ambassadors at Merdeka Palace in Jakarta on 4 October 1986. They were Manzur Murshed of Bangladesh and Metin Inegolluoglu of Turkey. [Summary] [Jakarta MERDEKA in Indonesian 6 Oct 86 pp 1, 11 BK]

ILLEGAL ALIENS DEPORTED--The directorate general of immigration has deported 111 aliens since June this year--25 in June, 26, in July, 23 in August, and 37 in September. A press release issued by the directorate general of immigration on 7 October said that those deported in September had entered and stayed in the country illegally. The 37 deported aliens consist of 18 Taiwanese, 2 Malaysians, 9 PRC nationals, 1 Italian, 1 Singaporean, 1 Bruneian, 3 Americans, 1 Saudi Arabian, and 1 Filipino. [Summary] [Jakarta Domestic Service in Indonesian 0600 GMT 8 Oct 86 BK] /12232

NEWSPAPER GIVEN 'STRONG WARNING'--The director general of the development of press and graphics of the Information Department, Sukarno, today gave a strong warning to Semarang SUARA MERDEKA. He said among other things that the paper in its issue of Thursday, 9 October 1986, carried a speculative report on a package of government economic policies. The report could cause uneasiness among the people. Director general of the development of press and graphics reminded the SUARA MERDEKA daily to be more careful about reports to be published. [Text] [Jakarta TVRI Television Network in Indonesian 1000 GMT 10 Oct 86 BK] /12232

CSO: 4213/4

'TALK' COLUMN CONTINUES CRITICISM OF THAIS, PRC, U.S.

Foreign Obstacles to Lao Progress

Vientiane PASASON in Lao 26 Jul 86 p 3

[Text] A protest was filed at the UN on 18 June claiming that Lao troops had intruded into Thai territory and killed Lao refugees in Ban Houa Pong, Chiang Kham District, Payao Province. The protest was rejected because it was not true. Later, on the morning of 22 July, the Voice of Australia and Radio Thailand accused Laos of deploying troops along the northern border of Thailand near Nan Province.

All these accusations and made-up stories lack any proof. It is similar to bandits calling for the arrest of bandits, a tactic used by Thai rightist reactionaries in Thai power circles.

The truth is that the LPDR has always believed in being a good neighbor to Thailand. Laos has always respected Thailand, and taken the initiative for the Second Joint Lao-Thai Treaty, which was signed in 1979 by the Lao and Thai Governments. Laos has made every effort to implement this treaty productively and seriously.

But since the proclamation of the LPDR in 1975, the Lao people have never had the opportunity they should have had to make their living and build their country. The primary obstacle stopping them has come from their western border, namely Thailand, which has support from the Chinese international reactionaries and the backing of the American imperialists. The Lao people have had to contend with psywar and challenges and direct provocations from Thailand.

During the past 10 years, Thai reactionaries have intruded into Lao waters and territory, burning people's homes, destroying Lao cargo ships along the Mekong River, and employing aircraft to intrude into Lao skies and fire artillery on the Lao side, a total of 100 times. Specifically, since the Thai military invasion and occupation of the three villages in Pak Lay District, Sayaburi Province, 2 years ago on 6 June 1984, Thai reactionaries have disturbed and sought to destroy Laos 30 times, including firing 105 MM and 155 MM artillery into Lao territory.

In addition, the entire world knows that evil Lao and bandits who sneak in and move around to destroy Laos have all been supported by the Thais; similarly, Khmer reactionaries have returned to destroy the revival of the Kampuchean people. Khmer reactionaries have settled in Thailand and Thai reactionary officials feed them. During the time that Shultz, the U.S. Secretary of State, visited Thailand at the beginning of the year, he promised Thailand that he would give \$5 million in aid to feed and take care of so-called Khmer refugees. Actually, it is for feeding the Khmer reactionaries and the genocidal and criminal Pol Pot group on Thai soil. China is not lagging behind either; side by side with the American imperialists, it has confirmed that it will support Thai rightist reactionaries to the fullest for the victory of the anti-Lao revolutionaries and Kampucheans who are hiding and training in Thailand. Subsequently, rightist reactionaries have invented stories unreasonably accusing Laos in order to turn the attention of the Thai people and the world populace from the current confusion and crisis in Thailand. They have also done this to cover up the schemes of Thai rightist reactionaries, who are competing for military aid from the U.S. imperialists by doing such things as speeding up completion of the construction of weapons warehouses in Thailand.

From just these developments, it is clear that the Thai rightist reactionaries who are so obedient to the U.S. imperialists and international reactionaries are creating the tensions in this region and challenging and provoking neighboring countries. However, they blame other people, in the fashion of bandits who fake calls to snare bandits in order to cover up their aggressive nature and bad intentions toward neighboring countries.

Fascism Lives; Western Support Viewed

Vientiane PASASON in Lao 25 Aug 86 p 3

[Excerpt] The lives of all the Nazi war criminals tried at Nuremberg are not as valuable as that of a single warrior who sacrifices his life for the liberty of mankind.

It is 40 years now and toward the end of the 20th century, yet fascist regimes still are not completely extinct. The governments of many countries are still carrying out their fascist policies and racial and color discrimination with the support of the imperialists.

During the 3 years that the Pol Pot group practiced its genocidal rule with the support and aid of the Beijing hegemonists and expansionists, it killed more than 3 million Kampucheans. The Australian Government has proposed setting up an international court, as in Nuremberg, to try the Pol Pot group, but the imperialist countries have not paid any heed because only Kampucheans were hit by the genocidal regime.

Worse than that, the imperialists and reactionaries also recognize and give aid to the so-called Democratic Cambodian Coalition Government--in which the Pol Pot group has a central role--in order to destroy and overthrow the PRK Government. They also recognize the genocidal Pol Pot group as representative

of the Kampuchean people, even though its members actually killed and tortured the Kampuchean people.

This charade shows the true selfish nature of those who call themselves humanitarians, saints, human rights advocates; but they are advocates for terrorists and genocidal criminals, aren't they?

Indochina-PRC Ties, Gorbachev Statement

Vientiane PASASON in Lao 29 Aug 86 p 3

[Excerpt] Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, stated at Vladivostok his concern about the situation in Southeast Asia and about guaranteeing peace and stability in the Asia-Pacific zone. He spoke about the 13th conference of the ministers of foreign affairs of the three Indochinese countries in Hanoi, the capital of the SRV. This conference had stated that the people of the three Indochinese nations have always considered long-term friendship with the PRC to be very valuable and that they wish to restore that friendship quickly; however, they believe in protecting their independence. The people of these three countries have never lessened in their perseverance in restoring normal good neighborly relations with the PRC. Good relations between the LPDR and the PRC, the LFDR and the PRK and China will be an important factor in guaranteeing peace and stability in Southeast Asia. In addition, the SRV had proposed restoring relations and resuming negotiations with China when talks were suddenly stopped in June 1980. To the present, China has not responded favorably; on the contrary, China is carrying out nonsupportive activities toward Vietnam.

Nevertheless, the Lao people support Vietnam's stand--its readiness to resume negotiations at any level and any place. Both sides may present their proposals on whatever issues they are interested in negotiating. Only good and serious intentions will lead to solutions, and toward correct attitudes and creative and productive intentions. The PRC is a leading country with its vast land and the largest population in the world. It is also a member of the UN Security Council so it must be responsible for peace and stability in this region. And it must contribute seriously in developing the important factors that will promote conditions aimed at responding to the urgent demands of the people of Asia, who want to see this region change into one of true peace, stability and cooperation.

U.S. Assailed on Libya Moves

Vientiane PASASON in Lao 29 Aug 86 p 4

[Text] The United States still continues to send battleships to the shores of Libyan waters. This bellicose U.S. military force consists of modern aircraft carriers with cargo planes and bombers and troop transport vessels.

Washington has not covered up its obscurantist plans at all. By deploying U.S. forces, ruling U.S. officials hope to turn around the situation in Libya to foster conditions for another attack.

To the present, it appears that the people of the southern part of Libya were entirely unaware that they would be attacked under a shameless excuse of attacking terrorism. And the mass media in the United States have also spread plans for an anti-Libya movement in the United States. The plans are for the U.S. 6th Fleet to attack by sea, including new aggressive attacks in Chadian territory. Why does Washington hate Libya so? Libya does not please the United States because it carries out independent domestic and foreign policies. Libya chased out a U.S. and English military base from its territory. In addition, Libya also opposes invasions by Zionist Israel and supports peace movements. All this has made Libya fall on the U.S. blacklist and become a genuine target for movements and invasion by the United States. This confirms that the United States hopes to change the anti-American regime in Libya by force. The United States still is carrying out a policy of infiltrating foreign countries that do not follow its orders, for example, supporting terrorism, direct and indirect infiltration and opposition to the entire world populace, such as the incidents in Libya and Grenada.

Presently, Washington has been moving in the same way against Libya, Nicaragua and Angola. This adventurous policy is a threat to world peace. Nevertheless, Washington's challenging moves cannot threaten the patriotism and the love for independence of the Libyan people at all. Instead, they will make them more highly alert in order to prepare to promptly destroy and defeat the obscurantist schemes of the U.S. imperialists. The just struggle of the Libyan people is being supported by progressive forces and justice lovers in the region and around the world. They will win in preserving their independence and their perfect land.

Bilateral Negotiations With Thailand

Vientiane PASASON in Lao 22 Aug 86 p 3

[Text] International news reports from Bangkok state that on 21 June, the Social Research Institute of Chulalongkorn University and Thai mass organization members of Peace Committee '86 conducted a seminar about Lao-Thai relations in the Chulalongkorn University conference room. Around 50 professors, students, intellectuals, representatives from the Ministry of Foreign Affairs and the National Security Council and other individuals from other state and private organizations participated in this seminar.

In addition to discussing important issues, this seminar also considered the perseverance of the general public and every social class in Thailand in their dedication to seeking ways to improve and normalize Lao-Thai relations, which currently have deteriorated. This attempt is very admirable and praiseworthy because it is also in line with the wishes of the Lao people. The Lao people and people of all ethnic groups have always considered the protection, improvement and continuous promotion of the beautiful and ancient relationship between the people of the two nations of Laos and Thailand to be their historic duty. It is one that they must do because of their beautiful heritage, and for the advantage of the two nations. In 1979, after the governments of the two countries signed joint Lao-Thai and Thai-Lao treaties, their relations, cooperation, good understanding and trust as brotherly countries expanded

greatly in many areas. Those treaties have also been important factors and an important push to promoting peace, security and prosperity in Southeast Asia.

These treaties have made the peoples of Laos and Thailand communicate, visit each other and trade together freely and fully, based on a spirit of brotherliness and good neighborliness. These are correct and in line with the desires and the needs of the people of these two nations and for their mutual gain. Since the middle of 1984--specifically, after the Thai rightist reactionaries in Thai power circles under the command of foreign countries used Thai Government soldiers to invade and occupy the three villages of Pak Lay District, Sayaburi Province--Lao-Thai relations have fallen into an undesirable state. But for more than 2 years up to the present, neither the Thai people nor the Lao people have been affected by these deteriorated relations. However, they have affected the losing imperialists and reactionaries themselves, who formerly exploited the problems of the Lao and Thai peoples. The two nations have made urgent requests to normalize relations quickly--as the 4-5 August statement of the LPDR to the LPDR Ministerial Council said again at the conference of the ministers of foreign affairs of the three Indochinese countries in Hanoi on 17-18 August 1986. But there is only one way to achieve the ultimate request of Laos and Thailand; namely, based on their joint announcement of 1979, both sides must return to the table to negotiate and together solve all their problems, for their mutual benefit and for peace, stability and cooperation in Southeast Asia and the entire world.

Thanat Khoman Cited on U.S. Exploitation

Vientiane PASASON in Lao 13 Sep 86 pp 3, 4

[Text] Now all the Thai people fully understand what the United States takes Thailand to be. Thailand's former prime minister and former minister of foreign affairs, Special Gen Thanat Khoman, stated this at a recent open discussion about what the government should do concerning support for the United States. He said that, "Right now, we are supporting the United States this way: They support us as a candidate for membership on the UN Security Council in order to use us as a tool, to raise our hand to support them..."

(From Thailand's MATICHON newspaper, dated 7 September 1986.) What is total cooperation with the United States for?

Now the Thai people--farmers as well as workers, students or intellectuals--all know about the Farm bill, the Jenkins bill and laws that discriminate against imports into the United States. The Thai people never would have thought that now the United States would show its gratitude for the previous use of the land--for carrying out operations to invade the three Indochinese countries--by hard heartedly exploiting the Thai working class, or that the United States would consider Thailand only as a tool for its political policies and as a place to make itself richer. It is known that exports to the United States have been an important revenue source for Thailand, but the United States has cruelly and selfishly made Thailand suddenly lose this

important market. According to a statement by Gen Thanat Khoman, "...These laws are all invasions of trade and our economy; if Congress passes them, they will cripple Thailand, and the country will be disabled and crippled forever." The impact of these laws not only will make Thailand lose a lot of jobs in the textile, clothing and canned food industries and agricultural production, but they also are a real threat that could make these production sectors go bankrupt. These are the gifts to the Thai people from Washington. The Thai mass media has expressed its opinion that these acts were made in the United States to squeeze the necks of Thai farmers and Thai workers. These actions by the United States once again are proof of imperialists' greed to make themselves rich at the expense of the working class in developing countries. This shows that smaller countries are inevitably exploited, terrorized, threatened and ordered by stronger countries under the imperialist system.

If these are the schemes and actions that the United States is undertaking toward Thailand; how can we say that the United States wants the best for Thailand? We can only say that the United States is using Thailand as a tool to carry out its bellicose policy as it did during the war against the three Indochinese countries. The Thai people surely understand this issue; even the present minister of foreign affairs has said, "If the United States continues to carry out this kind of policy, it might affect relations between the two countries in the future."

Cambodia Policy Critique

Vientiane PASASON in Lao 8 Sep 86 p 3

[Excerpts] Jane Jarik is the pen name of the writer of the article headlined "Explosive Borderline...New Thai Government Urged To Review Foreign Policy," which was published on page 9 of SIAM RAT's 18 August 1986 issue. The writer of this article, in addition to assessing the tremendous damage correctly to Thailand's interests from the situation along the Thai-Kampuchean border, also points out the cause of this pointless damage, which has forced an unwanted destiny upon Thailand and its people.

Jane Jarik's correct and reasoned assessment in this article not only helps readers see the real situation along the Thai-Kampuchean border but also reflects the desires of the Thai people. They always want to have good relations with neighboring countries and to develop their national economy independently and in a peaceful and pacific atmosphere. And they do not want to be a tool of foreign countries, or used to provoke and disturb the peace with neighboring countries. They, in turn, do not want Thailand to be used as a springboard for invading third countries.

'Rational' Cambodia Settlement Discussed

Vientiane PASASON in Lao 25 Aug 86 p 4

[Text] It has been 7 years since the Kampuchean people liberated their nation under the leadership of the Solidarity Front. Together with support from the army and the Vietnamese people, they stood up and overthrew the

Pol Pot-Ieng Sary-Khieu Samphan genocidal regime, then proclaimed the formation of the PRK. Since the genocide, the Kampuchean people have undergone many tests, but they have revived quickly. They scored many fantastic achievements in many areas, especially politically, militarily and economically during 1984-85; these were the turning points of the Kampuchean revolution. The PRK controls all of Kampuchea, and they have announced plans and policies to develop understanding among the factions in their nation. They are ready to negotiate with any group or any particular Khmer with the opposition, based on an understanding to execute the criminal Pol Pot, who created a blood debt to 3 million Kampucheans.

This is the real situation and the just stand of the PRK. However, anti-Kampuchean revolutionaries--those who hold the blood debt--and scattered troops who have no land to live on have hurried to claim things that they cannot gain militarily. They have stubbornly demanded for 8 entire years to have the criminal Pol Pot group come in and run Kampuchea, and they recognize the so-called "Coalition Government of Democratic Kampuchea." These claims run entirely counter to justice and the real situation in Kampuchea. Therefore, they are not acceptable and are only useless dreams.

The situation during the past 8 years has proved that the just stand and good intentions of the three Indochinese countries line up with majority public opinion. They all want Vietnam to withdraw its troops and eliminate the genocidal Pol Pot group; namely, they want long-term peace and stability restored in Southeast Asia. If the two basic issues of Vietnam's withdrawal of its troops and the elimination of the criminal Pol Pot are approved by both sides, there might be prompt negotiations about carrying out these two tasks. Doing these would be a step toward solving the political problem of Kampuchea, and a move toward peace and stability in Southeast Asia.

All these are the permanent stands of the three Indochinese countries and are very appropriate ways for solving the problems in Kampuchea. Nevertheless, presently no action has been taken toward solving these problems. However, based on the present situation in Kampuchea, the SRV and PRK still confirm that troops will be pulled out from Kampuchea on a regular yearly basis, and that these troop withdrawals will be completed as announced in 1990. However, if the opposition takes advantage of the good will of the troop pullout to take antipeace and antisecurity actions against the Kampuchean people, the SRV and PRK surely have the right to consult closely to take appropriate measures to preserve peace and stability in Southeast Asia and around the world.

12597/13046
CSO: 4206/5

BRIEFS

NATIONAL DAY RECEPTION--Vientiane, 11 October (KPL)--The GDR ambassador Dietrich Jarck and his wife offered a reception here yesterday in honour of the 37th National Day of the GDR. It was attended by Sali Vongkhamsao, member of the Secretariat of the LPRP CC, vice-chairman of the Council of Ministers and chairman of the State Planning Committee, Sisavat keobounphan, member of the Secretariat of the LPRP CC, secretary of the party committee of Vientiane capital, and Khamphai bounpha, member of the LPRP CC, first deputy-minister for foreign affairs. Diplomatic envoys and representatives of international organizations in Laos were also present at the reception. [Text] [Vientiane KPL in English 0858 GMT 11 Oct 86 BK] /12913

DEFENSE WORK IN LUANG PRABANG--Vientiane, 6 October (KPL)--The national defense work in the northern Luang Prabang Province has been substantially strengthened and developed recently. Since the beginning of this year, over 300 young men in the province have volunteered to join in the Army. Meanwhile, a number of middle-level medical workers in the province have also decided to join the military medical service. [Text] [Vientiane KPL in English 0904 GMT 6 Oct 86 BK] /12913

HEALTH DELEGATION RETURNS--Vientiane, 7 October (KPL)--A delegation of the Lao Ministry of Public Health headed by its Deputy Minister Dr. Ponnem Dalaloi has returned here after attending the 37th world hygiene conference for the Asia-Pacific region. The conference reviewed its recent work and adopted the 8th programme of actions with emphasis on the use of modern technology in health care. The conference also pointed to the need of dispatching cadres to the grass-roots to encourage people to take part more actively in physical exercise and sport activities, and reduce alcoholic drinking and cigarette smoking. [Text] [Vientiane KPL in English 0900 GMT 7 Oct 86 BK] /12913

FORESTRY COOPERATION WITH GDR--Vientiane, 8 October (OANA-KPL)--The GDR will help the Lao PDR in upgrading the Dongdok forestry school here to university level. The minutes of a discussion conducted yesterday on the matter were signed between the two sides. It stipulated that the GDR, in the 1986-1990 period, will provide necessary assistance to the upgrading of the Dongdok forestry school from middle to university level, which is expected to start in the 1986-1987 school year. The Dongdok forestry school, established in 1980, has since trained forestry rangers through two-year middle level courses. It has also received GDR lecturers' assistance and equipment. So far, the school has assigned hundreds of graduated forestry rangers to work in various

localities. The upgrading of professional training on forestry is in line with the state policy which calls for effective forestry exploitation, conservation, and afforestation. [Text] [Vientiane KPL in English 0913 GMT 8 Oct 86 BK] /12913

URBAN DEVELOPMENT COMMISSION--Vientiane, 8 October (KPL)--The Ministry of Construction has set up, on the occasion of World Urbanization Day (6 October), a coordination commission for urban development. It plans to reconstruct the war-ravaged living quarters in Xieng Khouang, Houa Phan, Saravane, Attapeu, Vientiane, and other parts of the country. In the post-war period, many localities have received help from fraternal socialist and friendly countries for reconstruction. This year, the UNDP has helped the Lao PDR to train urbanists, collect data for urban development, and produce building materials such as cement, bricks and tiles. [Text] [Vientiane KPL in English 0926 GMT 8 Oct 86 BK] /12913

TRADE UNION DELEGATION RETURNS--Vientiane, 2 October (KPL)--A delegation of the Lao Federation of Trade Unions led by its president Thitsol Sombatdouang returned here on 30 September after attending the 11th Congress of the World Federation of Trade Unions in Berlin from 16-22 September. The Congress urged all labouring people and trade union organisations in the world to enhance their solidarity in the struggle for peace and the welfare of labouring people. [Text] [Vientiane KPL in English 0916 GMT 2 Oct 86 BK] /12913

KPL DELEGATION RETURNS--Vientiane, 3 October (KPL)--A KPL delegation led by its General Director Bounteng Vongsai, returned here Thursday [2 October] after attending an annual conference of the general director of news agencies of socialist and socialist-oriented countries in Ho Chi Minh City. The three-day conference, which was closed on 25 September, heard 28 reports and [word indistinct] by 17 delegations. The delegates voiced support for the struggle of the three Indochinese countries for peace and security in Southeast Asia. They condemned piratical moves against Libya, Nicaragua, Southern Africa and other parts of the world. During the conference, KPL reached bilateral cooperation agreements with TASS and SOCIA PRESS [as received] of Bulgaria. [Text] [Vientiane KPL in English 0905 GMT 3 Oct 86 BK] /12913

SALI VONGKHAMSAO RECEIVES GROUP--Vientiane, 13 October (KPL)--Sali Vongkhamsao, secretary of the party CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, received here on 11 October a delegation of the Vietnamese State Planning Committee led by its vice-chairman Ho Ngoc Duong. They exchanged views on planning work and on bilateral cooperation in this field for 1987. The Vietnamese delegation arrived here on October [date indistinct] to attend a joint Lao-Vietnamese conference on planning work scheduled to be convened in Vientiane soon. [Text] [Vientiane KPL in English 0901 GMT 13 Oct 86 BK] /12913

SRV DELEGATION RECEIVED--Vientiane, 11 October (KPL)--Vongkhamsao, secretary of the LPRP CC, vice-chairman of the Council of Ministers and chairman of the State Planning Committee, received here on 10 October a delegation of the Vietnamese centre for scientific research headed by Prof. Nguyen Van Hieu, alternate member of the CPV CC and director of the centre. The talk proceeded in a friendly atmosphere in which Prof. Nguyen Van Hieu briefed Vice-Chairman

Sali Vongkhamso on the results of his delegation's current visit here. The two sides also discussed the possibility of scientific and technological cooperation between the two countries at present as well as in the future. Sali Vongkhamso said that the scientific and technological cooperation and assistance between Laos and Vietnam would be mutually beneficial to their economic development and to the special relations of friendship, militant solidarity and all-round cooperation between the parties, governments and peoples of Laos and Vietnam. [Text] [Vientiane KPL in English 0855 GMT 11 Oct 86 BK] /12913

PHOUN SIPASEUT RECEIVES AMBASSADOR--Vientiane, 10 October (KPL)--Phoun Sipaseut, vice-chairman of the Council of Ministers and Minister for Foreign Affairs, received here yesterday outgoing Egyptian ambassador Fu'ad Hamdi al-Fattah before his departure for home for a new assignment. The Egyptian ambassador was accredited to Laos on 18 April 1984. During the cordial talk, Phoun Sipaseut wished him a good journey home and success in his new mission. [Text] [Vientiane KPL in English 0903 GMT 10 Oct 86 BK] /12913

PHOUMI VONGVICHIT MEETS UNICEF--Vientiane, 10 October (KPL)--Phoumi Vongvichit, vice chairman of the Council of Ministers, met here yesterday with Dr Nyl Nyl, head of UNICEF planning department, on a tour to the Lao PDR. The two sides discussed UNICEF's aid to Laos at present and in the future, especially in education and public health. On behalf of the Lao Government, Phoumi Vongvichit expressed thanks to UNICEF and other international organisations for the aid to the socio-economic development in Laos. Dr Nyl Nyl arrived here on 4 October on a six day visit during which he toured some projects in Vientiane and Luang Prabang built with UNICEF aid. The same day, Phoumi Vongvichit received a delegation of the peace movement headed by Mrs Ketty Somya Alatalo who briefed him on the aim of her delegation's visit here. On behalf of the Lao Government, Phoumi Vongvichit welcomed the delegation's visit and its efforts for uniting people all over the world in the struggle for world peace and against the threat of war. Phoumi Vongvichit answered some questions concerning the peace movement in Laos, and reaffirmed that struggling for peace and disarmament has always been an unchanged policy of the government and people of the Lao PDR. [Text] [Vientiane KPL in English 0919 GMT 10 Oct 86 BK] /12913

TODOR ZHIVKOV THANKS KAYSONE--Vientiane, 11 October (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, recently received a message of thanks from Todor Zhivkov, general secretary of the Communist Party of Bulgaria Central Committee, chairman of the State Council of the People's Republic of Bulgaria. The message said: "I would like to express my sincere and profound thanks to you for the greetings on the occasion of my 75th birthday. I strongly hope that the friendship relations and cooperation between the parties, governments and peoples of our two countries will be continually strengthened for our mutual interests and for peace, socialism." [Text] [Vientiane KPL in English 0853 GMT 11 Oct 86 BK] /12913

CSO: 4200/44

AQUINO OUTLINES GOVERNMENT ECONOMIC PROGRAM

HK101435 Manila MANILA BULLETIN in English 10 Oct 86 pp 1, 18

[Article by C. Valmoría Jr]

[Text] President Aquino said yesterday the stage for economic recovery has been set and her administration is building a new economy where the government provides the framework for growth which the private sector must flesh out.

Speaking at the closing ceremonies of the 12th annual conference of financial executives at the Philippine Plaza, the president said the government has gone beyond general pronouncements and broad statements as the country begins to recover from the economic crisis.

The president outlined her economic program, saying that international reserve targets are clear and timebound, commitments to reduce budget deficits are firm, and the fiscal program is in place.

She said all outstanding issues concerning the rehabilitation of the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP) have been cleared and policy statements for strengthening the weakened financial system have been drafted and agreed upon.

The program for public sector investment spending and for export promotion by industry have been finalized, covering the whole length and breadth of the agenda for economic reform, she added.

She reported that both World Bank President Conable and IMF Managing Director De Larosiere agreed with her that the green light could be flashed for the \$508-million standby loan from the IMF and the \$300-million economic recovery loan from the World Bank.

She said, however, there is need to restructure the 26-billion debt under easier terms and conditions that will permit the economy to grow, jobs to multiply, and the material welfare of the people to improve.

Within this favorable environment of trust and confidence in the new government, the president said her administration is seeking to defer \$3.25 billion of principal payments for five to six years. Since interest rates have gone down, the government is also consolidating the 1984-1986 rescheduling into the 1987-1991 rescheduling.

The president said the country has to win markets for its export products. The prospect is good that the sugar quota in the U.S. market will be increased by about 30 percent, she added.

She said the U.S. has made a commitment to a "Buy Filipino Policy" for U.S. defense facilities in the Philippines and elsewhere in Asia. According to her, the government will set up a business promotion council to continue to explore and exploit more opportunities for Philippine exports to the U.S.

"We cannot achieve a real economic growth of 6-7 percent annually unless we succeed in our export drive," she said. "We must be ready to do everything possible so we can effectively compete in many more markets to which we must gain access.

"In the meanwhile, as we begin to get out of the depth of our economic crisis, we count as a welcome bonus any help we get from friends."

The president said there is urgent need to prime the economic pump and spend on programs that create jobs and help win peace. "We have to get on with the task of industrial rehabilitation and especially of rapid agricultural development. She said these require financing and the country has been very short of resources.

According to her, the \$100-million economic support fund, \$50-million military assistance grant, \$20-million donation of medicine to the military and civilian sectors, and \$200-million supplemental aid package are helpful, not because of the sums involved, but because of the goodwill and support they express.

The president said doleouts will not bail out the economy; "only our own efforts will do it." That is how it should be, so that the credit and honor, the major profit of recovery will singularly be for the Filipino people, she said.

"My government can do only so much in loading the bases," the president said. "In the private enterprise economy that you demanded and fought for and won, it is you, private business, that must hit the homeruns and pile up the scores. It is your turn at the bat."

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CSO: 4200/45

ENRILE, OTHERS OPPOSE EXTENSION OF AQUINO-LAUREL TERM

HK091515 Manila THE MANILA JOURNAL in English 9 Oct 86 p 12

[Article by Vicente M. Tanedo]

[Text] A coalition of anti-ratification campaigners is quietly being formed by some political factions to warn the people of the "dangers" of approving a constitution that extends without the benefit of an election the Aquino-Laurel term of office.

Former MP Salvador Britannico, vice chairman of the Kilusang Bagong Lipunan Central Committee, said that all of the country's legal rights determined to preserve the democratic process will be asked to join in a united effort against the approval of the charter by the plebiscite expected to be held 23 January.

Former Rep Jose Yap, chairman of the Partido Demokrata ng Pilipinas-Lakas ng Bayan (PDP-LABAN) [Philippines Democratic Party-Strength of the Nation], on the other hand, said that opposition critics are trying to inject partisanship in the work of the Constitutional Commission [Con-Com].

"By providing for a six-year term for President Aquino and Vice President Laurel the Con-Com is only acting on the wishes of the people who themselves installed the two leaders in their present positions," Yap said.

The Con-Com in a late session Tuesday voted 37-4 to insert in the proposed charter's transitory portion a provision providing for a six-year term for the president and vice president from 7 February, 1986 to 30 June, 1992.

Defense Minister Juan Ponce Enrile, in various speaking fora, has been voicing his opposition to the continued tenure of the two top officials without going through an election.

It was precisely because of this stand that he has been rallying the people on the holding of a presidential poll.

Former Senator Arturo M. Tolentino has also announced earlier that he would campaign against ratification because of the provision on the controversial presidential term.

He had offered a compromise the other day to enable the plebiscite voters to decide first the draft of the charter and second, the feasibility of giving Aquino and Laurel a six-year term in disregard of the electoral will.

The four-man bloc Partido Nacionalista ng Pilipinas [Nationalist Party of the Philippines] in the Con-Com headed by former MP Blas Ople which voted against the Aquino-Laurel tenure provision is also expected to stump against ratification.

Earlier, former MP Homobono Adaza, leader of the Mindanao Alliance has also agitated for the presidential elections to validate the present terms of the incumbents.

The cause-oriented group Bansang Nagkaisa sa Diwa at Layunin (Bandila) [Nation United in Spirit and Objective] is set to support or reject some provisions of the new Constitution in its second national congress to be held over the coming weekend.

Mark Canonigo, Bandila secretary general, said during a press conference at Club Filipino that among the provisions the group will oppose are those on the national economy and patrimony and on the U.S. military facilities in Philippine bases.

The congress, to be held at the Loyola Center, Ateneo de Manila University on 11 and 12 October, will press for a wider participation of local business in ventures that are open to foreign equity, Canonigo said.

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CSO: 4200/45

BANDILA CONVENTION CALLS FOR ENRILE'S RESIGNATION

HK140331 Manila PHILIPPINE DAILY INQUIRER in English 13 Oct 86 pp 1, 6

[Text] The 2,500 delegates to the Second Bandila National Convention overruled yesterday objections by Commission on Audit [COA] Chairman Teofisto Guingona and Butz Aquino and called upon Defense Minister Juan Ponce Enrile to resign.

Guingona, Bandila chairman, and Aquino argued to leave the "handling" of Enrile to President Aquino, but the congress thumbed down their objections and approved the resolution in a near-unanimous vote.

Actually, two resolutions were presented. The first one by Manindigan, a cause-oriented group, did not name Enrile but called for the censure of any cabinet member who publicly contradicts and openly criticizes previously agreed policies of the President and the cabinet.

The Manindigan resolution also demanded that any such cabinet member should "in conscience resign or face public condemnation of the people."

Bandila is an umbrella organization of cause-oriented groups. The national congress, which started Friday, was held at the University of Ateneo gymnasium at Loyola Heights, Quezon City.

The delegates to the congress came from all 12 regions of the country, including the Cordilleras and Muslim Mindanao. Also present was the intelligence officer of the MNLF Chairman Nur Misuari.

The second resolution, which confronted Enrile, was sponsored by the Tambuli, an organization of Metro Manila's urban poor population. It pointedly asked Enrile to resign, citing his excessive criticisms of the president's policy, particularly her peace efforts and dialogue with the Muslims and the NPAs.

Tambuli spokesman said these outbursts not only hinder the peace efforts, but are even driving the nation apart. The resolution stressed that whatever the basic disagreements with the goals and programs of the president, the "decent thing" for Enrile to do is resign from the cabinet.

Manindigan's resolution won immediately unanimous approval of Congress. However, the Tambuli resolution forced Guingona to turn over the chair to former University of the Philippines President Emmanuel Soriano.

The COA minister then took the floor and asked that the case of Enrile be left to the discretion of the president. He was joined later by Aquino, the president's brother-in-law.

Despite their rearguard action, the Congress voted for the resolution asking Enrile to step down from the cabinet.

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CSO: 4200/45

MARCOS LOYALISTS TO CAMPAIGN AGAINST CONSTITUTION

HK140313 Manila THE MANILA CHRONICLE in English 13 Oct 86 p 2

[Article by correspondents Dana Batnag and Lito Zulueta]

[Text] Marcos loyalist leaders yesterday said they were planning a massive campaign for the rejection of the 1986 Constitution which would be submitted to a plebiscite on 1 December.

Lawyer Nemi de Pedro II and former Manila MP Gerardo Espina said mass actions calling for the charter's rejection would be held in several cities as well as in the provinces.

De Pedro said several Kilusang Bagong Lipunan leaders and former Batasan members were also preparing papers calling for the rejection of the new constitution.

Loyalist leaders said the ratification would legitimize the revolutionary government of President Aquino.

The loyalists have been staging mass action for the past six months, seeking the return of deposed President Marcos and the return of the country to the 1973 Constitution.

Meanwhile, former MP Arturo Tolentino said the Constitutional Commission "messed up" the entire constitution and urged the people to go back to the 1935 charter.

Addressing another loyalist rally at Liwasang Bonifacio, Tolentino also lambasted President Aquino's trip to Japan, claiming that the visit was a big drain on the government coffers.

At the same time, he denied accusations that the loyalists were destabilizing the government and told the big loyalist crowd that Mrs Aquino's seven-month-old government was unstable.

About 4,000 Marcos supporters attended yesterday's rally, their fifth consecutive Sunday rally at Liwasang Bonifacio, two months after they were barred from demonstrating at the Rizal Park.

The noticeable increase in the number of rally participants at Liwasang Bonifacio was attributed to loyalists who were supposed to hold a demonstration at the Bonifacio monument rotunda in Caloocan City.

Caloocan City officials earlier rejected an application by some groups to hold an anti-communist rally at the Bonifacio monument.

Acting Mayor Virgilio Robles explained his decision, saying that he doubted the qualifications of the rally permit applicants.

He also said holding a rally at the Bonifacio monument rotunda would create a monstrous traffic jam, since the site is the converging point of busy thoroughfares.

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CSO: 4200/45

PLAN TO THWART MARCOS' RETURN REVEALED

HK141325 Quezon City BUSINESS DAY in English 14 Oct 86 p 22

[Text] Cabanatuan City--A secret operation was hatched recently by some provincial government officials here to thwart the return of deposed President Marcos into the country. The project is called "Operation: Balik Lopus" [operation: return of lopus] which was hatched by security men of Nueva Ecija acting Gov Noli T. Santos.

Sources close to the governor said the project is designed to prevent Marcos and his loyalists to regain control of the government. The same sources said the operation would have been put into effect, if there would have been any attempt to take over the government similar to the recent abortive Manila Hotel coup."

Sources said Operation: Balik Lopus is so designed to include several component plans to meet various contingencies occasioned by destabilization attempts against the Aquino Government.

One such plan involves ambushes at certain strategic points in Nueva Ecija of Marcos loyalists marching toward Manila from the north passing through the province.

This particular plan entails the positioning of trained men in the mountain-side of Carranglan Town below the Dalton Pass adjoining Nueva Vizcaya and ambushing Marcos supporters along the way. Those who may survive the initial ambush will be finished off when they reach the mountains just off San Jose City before they reached the lowlands.

Similar operation plans were designed for such marchers from Pangasinan, Aurora Province, Tarlac and Pampanga which may pass through Nueva Ecija. Manila-based destabilization attempts will similarly be responded to by Nueva Ecija commando units whose main objective then will be to secure and take over control of vital installations and offices such as the media facilities, the Central Bank printing press and mint and even Malacanang itself.

Sources said the operation will be directed by military intelligence and operations specialists taken by Santos under his wing who trained for several months. [sentence as published]

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CSO: 4200/45

CONCOM APPROVES CONGRESS ELECTIONS BY DISTRICTS

HK101343 Quezon City BUSINESS DAY in English 10 Oct 86 p 16

[Text] The Constitutional Commission (Con-Com) yesterday approved on final reading the election of the members of Congress by districts instead of by provinces.

By adopting this system, the Con-Com abolished the old system of electing lawmakers on the provincial level. The Con-Com unanimously approved a corollary provision reapportioning congressional districts by the commission itself instead of the Commission on Elections.

This system of reapportionment will be appended to the draft constitution as an ordinance, which will be submitted today by Commissioner Hilario Davide Jr., chairman of the Committee on the Legislative.

Davide said he may recommend only 196 or at the most 197 seats. Davide added that the Con-Com has earlier granted authority to the president to appoint 25 sectoral representatives. These representatives will be in addition to 196 or 197 elective members.

The Con-Com also approved that within three years after every census, Congress shall make a reapportionment of the legislative districts.

Davide in an interview said among those that may have additional seats in the coming congressional elections are Manila which will have six; Quezon City, four; Caloocan, two; Pasay, one; Cebu City, two; Davao City, three.

The Con-Com also provided that each legislative district shall comprise contiguous, compact territory. Each city or province with a population of at least 250,000 shall have at least one representative.

The Con-Com provided that the first Congress elected under the new constitution shall apportion the legislative districts based on the standards provided by the body.

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CSO: 4200/45

GOVERNMENT, MILITARY DEFEND ANTICOMMUNIST GROUP

HK150735 Davao City THE DAILY SAN PEDRO EXPRESS in English 25 Sep 86 pp 1, 9

[Article by Al Pojosol]

[Text] Brig Gen Romeo Recina, RUC/RECOM [Regional Unified Command/ Regional Command] XI commanding general yesterday denied allegations by militant groups in Agdao District, Davao City, that the military, police and their 'assets' are sowing terror in Agdao.

During a dialogue with leaders of the 'Alsa Masa' [Revolt of the Masses] at the Davao City hall at 3:00 p.m. yesterday, which was attended by Mayor Zafiro L. Respicio and Davao Metro-discom Commander, Maj Franco Clida, the RUC/RECOM XI commanding general said that the Alsa Masa is actually a group of ICHDF [Integrated Civilian Home Defense Force], category II, and he will not give in to pressures of disarming anyone of them unless there is strong evidence of abuse of authority.

Mayor Respicio and Maj Calida strongly endorsed the decision of Recina, and supported his decision to send additional military detachment to Agdao and to prevent the outbreak of hostilities between the Alsa Masa and the groups known as ALBAKA [Alyansa Batok Sa Kawad-on--Alliance Against Disappearances] and NALA [translation unknown].

Earlier, Maj Calida was reported as having denied that the Alsa Masa group is an asset of the military. He, however, confirmed during the dialogue, the statement of Recina that the members of the Alsa Masa are actually members of the ICHDF detailed in Agdao to help in the military's anti-insurgency campaign.

The day before the dialogue, the Alyansa Batok Sa Kawad-on (ALBAKA) [city board] and the Nagkahiusang Lumolopyo sa Agdao [translation unknown] trooped in front of the Sanggunian Panglungsod to dialogue with city officials about their demand to disarm the members of the Alsa Masa, whom they claim to be sowing terror in their locality.

Prior to the dialogue with Recina, a group of Alsa Masa members and supporters numbering some three thousand massed at the Rizal Park bringing with them the dead bodies in coffins, who were allegedly slain by the NPAS.

One of the placards the group was carrying had written on it: "We have been ruled and deprived of our human rights for so many years by the NPA. Now we will fight to drive them away."

At the same time, the group of some 50 ALBAKA and NALA members and supporters were massed in front of the Sanggunian Panglungsod, just on the other side of the street where the Alsa Masa was also gathered, also with one of their dead members, whom they claimed to have been killed by the Alsa Masa.

No untoward incident happened though, as the two groups at loggerheads with one another, later in the afternoon took their dead members to their resting place.

Among the members of the Alsa Masa who dialogue with the military officials and the city mayor in the presence of media representatives were Montibbtyo Roble, his brother Ernie Roble, Perlito Subiolo and Bert Taboco.

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CSO: 4200/45

ARMY INVITES NDF TO PROBE REPORTED 'HAMLETTING'

HK101417 Manila THE MANILA CHRONICLE in English 10 Oct 86 p 1

[Article by Staffmember Lito Mangaser]

[Text] Gen Fidel V. Ramos, Armed Forces chief of staff, has invited the outlawed National Democratic Front (NDF) to take part in the investigation of reported hamletting activities in the provinces.

Col Honesto Isleta, AFP [Armed Forces of the Philippines] spokesman, said NDF members who would volunteer to join the investigative groups to be formed in the 12 regions would be given safe conduct passes.

Ramos had earlier authorized the regional unified commanders to issue safe conduct passes. In his order to all senior regional military commanders, Ramos said the other members of the investigation group must come from the municipal and provincial governments, religious and civic groups, cause-oriented groups, local chapters of the Integrated Bar Association, and the military. He said that the presence of NDF representatives in these groups should erase public doubts about the investigation.

He gave his order following a report by Deputy Education Minister Arthur Defensor Jr. about "increasing militarization" in Bacolod City and some parts of Mindanao.

According to the report, classroom activities in those areas had been disrupted and schoolhouses were being used as evacuation centers for displaced families due to hamletting.

Defensor was also reported to have said that the New People's Army has also been harassing schoolteachers in those areas.

In a press statement yesterday, the military said that "military activities" have in fact been "stepped-up" where there has been a resurgence of rebel operations.

Isleta also clarified that such increase in military activities does not mean "militarization", which he defined as when "functions and roles of government and civilian offices are taken over by elements of the military."

He also said that the military resorts to hamletting to prevent civilians from being caught in a crossfire between government troops and rebels. "People have somehow a direct knowledge of impending communist terrorist activities in their areas and to protect themselves, they leave their places of residence due to the sheer horrifying ferocity of the communist terrorists," he said.

Isleta also said that the presence of representatives from local chapters of NDF in the investigation group should erase public doubts about the investigation.

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CSO: 4200/45

DAILY VIEWS AFP REQUEST FOR BUDGET INCREASE

HK101411 Manila THE MANILA CHRONICLE in English 10 Oct 86 p 12

[Editorial: "Military Operations Are Unproductive"]

[Text] After beating on their war drums so much as to nearly drown out calls for peace, the generals, after talking to their adjutants, seem to have realized suddenly that it takes money to wage a war: Armed Forces Chief of Staff Gen Fidel V. Ramos has asked the civilian government for "increased budgetary support for the military" as part of a "total effort" to combat insurgency.

Perhaps the generals have been too busy in the past two years plotting out coup scenarios, but the request for budgetary support is quite a tall order at this time.

The budget--in real terms or adjusted for inflation--has shrunk so much (equivalent to the 1979 budget, according to government figures), that operating expenses have been all but scaled down to the bones, with capital expenditures in the past two years virtually frozen.

So drastically has the budget shrunk that it actually resulted in a chain reaction in the entire economy; to a great extent, the continuing recession is due to the sudden cut-down in government expenditures, particularly for infrastructure.

The tightening of the government's purse strings has been so great the basic services--health and roads, for example--are obviously deteriorating.

Now, after so much huffing and puffing by their representative the defense minister, that the military can wipe out the insurgents if President Aquino would just say the word, the generals apparently are now saying that they need lots of money to be able to do it.

What they are asking in fact, is that a portion of the already tight budget be coursed to non-productive activities.

The last time the military waged a full-scale war--the 1973-74 Muslim wars--the treasury was nearly bled dry, with defense expenditures hitting a peak of about 30 percent, a factor that led the dictator Marcos to agree to negotiations. But at that time, the country had so much going for it--the mid-seventies' commodity booms which cushioned the impact of the military expenditures.

This time, however, everything--except the change in government--is going against the country and there are no commodity booms in sight worse. The generals will be fighting not 8,000 insurgents but, by the military's account, 16,800.

If the Aquino Government ever bends to the generals' will and launches an all-out military campaign, it had better fully justify the decision.

Ask any Filipino if he would be willing to shell out P20--the cost of one ammalite bullet--to kill another Filipino he does not even know.

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CSO: 4200/45

BAYAN CRITICIZES SIX-POINT COUNTERINSURGENCY DECISION

HK101315 Quezon City BUSINESS DAY in English 10 Oct 86 p 14

[Text] Bagong Alyansang Makabayan [New Nationalist Alliance] (Bayan) yesterday asked President Corazon C. Aquino to reconsider the cabinet decision of adopting the six-point recommendations by the defense-military establishment on the new tack towards solving the insurgency problem.

Bayan claimed that the "rightist elements (of the Aquino Cabinet) scored another victory in their struggle to influence the government into adopting such policies" which Bayan considered as "anti-people."

The other day New Armed Forces of the Philippines (NAFP) Chief Gen Fidel V. Ramos was able to prevail upon the Aquino Cabinet to approve a number of his policy recommendations on counter-insurgency.

"On closer look, the recommendations strike us to be no more than a sleek repackaging of the psychological warfare tactics which formed part of the NAFP's program of insurgency annihilation and countryside pacification dubbed 'Operation Plan (Oplan) Katataga' [reinforcements] under the Marcos regime and which, under the Aquino Administration, it (the NAFP) now calls Oplan Mamamayan [citizen]," Bayan said in a press statement.

Oplan Mamamayan (which like its predecessor is patterned after the CIA's Oplan Phoenix in Vietnam) combines "soft" or deceptive (civic action or the political "carrot" approach) and "hard" or forcible (the "stick" approach) tactics to attain their objective of simply pacifying the people without addressing the root causes of the people's discontent, Bayan said.

In a sense, Oplan Mamamayan is the extensive version of the "good cop-bad cop" game which Gen Ramos and Defense Minister Juan Ponce Enrile (with his rabid anti-communist blusterings) have lately been adeptly playing to confuse and deceive the people about the real intentions of their ostensible support for President Aquino's peace initiatives, Bayan claimed.

"We, in the Bagong Alyansang Makabayan, urge the Aquino Government to reconsider its decision to support the Ramos recommendations, which are but part of a rightist scheme to transform government into an instrument of deception and repression."

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CSO: 4200/45

ELITE FORCE ORGANIZED TO DEFEND METRO MANILA

HK140601 Manila MANILA BULLETIN in English 12 Oct 86 pp 1, 14

[Article by Jose de Vera]

[Text] Gen Fidel V. Ramos, chief of staff of the New Armed Forces of the Philippines (NAFP) said yesterday that it is capable of repelling any offensive which urban New People's Army (NPA) guerrillas may mount in Metro Manila.

He assured residents of the National Capital Region to remain calm in the wake of reports that the Communist Party of the Philippines and its military arm, the NPA, has fielded some 750 guerrillas in the metropolis.

The reported presence in Metro Manila of the 750 "sparrows" (hit men) manning about 75 "underground safe houses" (UGHS) has prompted the NAFP high command to organize an elite military command to defend Metro Manila against urban terrorists.

The elite force that could reach 10,000 men when fully mobilized has been placed under the command of NAFP vice chief Maj Gen Salvador Mison, in addition to his other duties.

Mison said the newly activated unit is known as the National Capital Region Defense Command (NCRDC). The nucleus of the NCRDC is the GHQ [General Headquarters] brigade with six battalions--more than 3,000 officers and men.

In case of an emergency, Mison said, all military units and the local police forces automatically become part of the NCRDC. Mison said his taking direct command of the expanded NCRDC is to give the NAFP chief of staff more elbow room in attending to problems outside Metro Manila.

Aside from the members of the Integrated National Police (INP), the defense command will direct the activities of units of the Capital Regional Command (Capcom), the Air Force based at Villamore Air Base, the Navy based at its main headquarters on Roxas Blvd, the NAFP-GHQ combat brigade at Camp Aguinaldo, and other units at Camp Aguinaldo and the Army's fort Bonifacio.

With its basic strength of 3,000 men, the NCRDC can call on 7,000 more men from the Constabulary, Capcom, FAP, Army, Navy, and INP.

Mison cited three conditions under which the NCRDC will operate:

Under condition 1, the chain of command functions normally.

Under condition 2, all units are placed in a state of preparedness. This will be done when there are massive street demonstrations and other disturbances.

Condition 3 is declared when there are bombings by urban guerrillas and other forms of terrorism, including arson, sabotage of vital installations, and liquidation of government officials.

Asked about reports on the presence of NPA "hit men" in Metro Manila, Mison said intelligence reports on this are now being collated.

"I am quite certain that the series of killings of policemen or PC [Philippine Constabulary] soldiers or armed encounters that have taken place in Metro Manila over the past few months were the handiwork of the 'sparrow units.' The victims of unsolved killings of lawmen in the National Capital Region have been invariably stripped of their guns, the usual pattern of operation of 'sparrows' in urban centers," Mison said.

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CSO: 4200/45

DAILY WARNS AGAINST TREND IN POLITICIZING MILITARY

HK140535 Manila PHILIPPINE DAILY INQUIRER in English 12 Oct 86 p 4

[Editorial: "The Day of the Generals"]

[Text] President Aquino Friday night discounted the threat of a military coup, asserting that she now counts on the loyalty of the military generals she has appointed since she became president.

She amplified this by pointing out that whereas she had no general when she was installed in power, now the number of "handpicked generals has gone up."

That statement was intended to allay fears of a possible power grab by the military or by abandonados with their allies in the AFP [Armed Forces of the Philippines]. It is alarming to know that the military establishment is being transformed into an organization of "private armies," each group personally loyal to President Aquino, Defense Minister Juan Ponce Enrile, General Fidel V. Ramos, etc.

Then, there are also the various groups which have emerged, such as RAM [Reform of the Armed Forces Movement], the Guardians, the PMAers [Philippine Military Academy], the reservists, and more.

This is a dangerous trend. This was highlighted by the Cebu officers, headed by Lt Col Tiburcio Fusillero, who bared plans to form a political party and to take issue with the Chief Executive when her policies threaten the national interest, whatever they interpret it to be.

Recently, a ranking military aide of Minister Enrile went to Sulu to recruit members for the Guardians among officers and enlisted men. There have been similar such activities in various military camps by several groups.

One of the still unresolved issues involves the "Yellow Army" which underwent training by foreign experts in Hacienda Luisita, owned by the Cojuangco family of Tarlac. Official explanations dismissed the furor over it, asserting that the troops were members of the Presidential Security Group [PSG] and private security guards of the hacienda. Why PSG personnel had to be trained in Luisita and not in an army camp was never explained.

Lately, there has been a long line of aspiring officers making a beeline to Malacanang. From among these the Palace is reportedly handpicking those slated for promotion to sensitive positions.

Politicization destroyed the AFP during the Marcos regime. Personal loyalty took precedence over professional competence and loyalty to the Constitution. This type selection enabled powerful patrons to bypass deserving officers in favor of those loyal either to the president, the first lady, Gen Fabian Ver and presidential cronies. In effect, the AFP became a private army.

This resulted in widespread demoralization and diminution of combat efficiency. In the process, abuses became entrenched, a contributory factor to the discontent among frontline troops.

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CSO: 4200/45

NEW REGION II MILITARY CHIEF OUTLINES STAND

HK140503 Manila MANILA BULLETIN in English 13 Oct 86 p 8

[Article by correspondent Antenor B. Parazo]

[Text] Echague, Isabela--Brig Gen Felix Brawner, newly installed military commander of Region 2, declared that he would continue with the defensive posture of his predecessor in dealing with the New People's Army (NPA) so that the on-going government NPA peace talks are not jeopardized.

The general replaced Brig Gen Manuel Ribo, who has just been retired, as commanding general of the 5th Army division and commander of Regional Unified Command 2 in north-eastern Luzon.

He disclosed his stand on the insurgency problem in a conference with former Isabela Governor Faustino N. Dy who, together with former Isabela municipal officials, was among the first to pay him a courtesy call.

For as long as the peace talks are going on, General Brawner said, his command will hold off its forces against the dissidents. Earlier, he received reports about the continuous exodus of rebels from their mountain lairs to the population centers.

Brawner said that his men will go to the field and protect the people only when the NPA rebels undertake offensive operations.

Former Governor Dy and former Mayor Benedicto Acosta told the general that with his policy on the insurgents, "you stand a very good chance of strengthening the faith and confidence of the people of Isabela in the military and the government." The two former officials also took note of Brawner's commendable record as former commander of the 5th Army Brigade which was at one time assigned in this province.

At that time, they said, Brawner succeeded in developing good relations between the members of his command and the civilian populace. It was recalled that the general attended every peace rally and dialogue during that time which was characterized by increased activities by the insurgents.

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CSO: 4200/45

NEGRO LEADERS URGE RECONCILIATION, RECOVERY

HK150329 Quezon City BUSINESS DAY in English 14 Oct 86 p 23

[Excerpt] Cadiz City--Prominent leaders representing almost all sectors of this city and Negros Occidental yesterday issued a collective appeal for peace, reconciliation and unity in the face of very grave problems confronting the nation.

Addressing a rally of over 75,000 people, former high-ranking government officials, heads of civic, religious, business, labor, farmers, youth, market vendors, and cooperative organizations took turns in stressing the urgency to join hands in rebuilding and restructuring society.

The speakers emphasized the need to set aside political differences and social conflicts to turn around the country's economy and bring peace and sanity to a troubled nation.

They urged the Aquino Government to:

--Resuscitate the floundering sugar industry, diversify agriculture, generate more employment, and provide adequate credit assistance to the nation's farmers.

--Call for national and local elections to resolve vexing leadership issues all over the country.

--Launch a massive multi-pronged approach to solve the insurgency and communist problems.

--Adhere to the rule of law and to observe due process in the sequestration of properties and in the administration of justice.

--Institute reforms in all aspects of national life.

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CSO: 4200/45

OLALIA CITES KMU CONCERNS ON CONSTITUTION

HK141330 Quezon City BUSINESS DAY in English 14 Oct 86 p 24

[Text] A militant labor group said yesterday it may reject the new constitution approved Sunday by the Constitutional Commission, because it lacks provisions that guarantee the rights of labor.

Kilusang Mayo Uno [1 May Movement—KMU] Chairman Rolando M. Olalia said the constitutional provision on social justice is "vague," and labor's rights to strike and to organize can still be subjected to "legislative intervention" by Congress.

Olalia added that the phrase "in accordance with law or as may be provided by law" attached to the labor provision means that Congress can still impose conditions on those rights.

Olalia said the 1973 Constitution of the Marcos Administration is "much better." The Marcos Constitution was at least specific in stating that the state guarantees the right of labor to self-organization and industrial action, he added.

Olalia, who is also president of the left wing Partido ng Bayan [PB—People's Party], said KMU and PB will still have to go through the entire draft constitution to identify other "objectionable" provisions. He has "personal reservations" on the new constitution, he added.

Reacting to the formation of a new legislative body, Olalia said that while Congress allows sectoral representations, such representations can easily be overruled by elected members of the Congress "who will most likely be the traditional elite politicians."

"Right now, there is little possibility that the Congress will enact pro-labor laws," he said.

Meanwhile, the Kilusang Bagong Lipunan (KBL) yesterday expressed fears that the proposed 1986 Constitution might be rejected by the Filipino people for being "patently defective, fatally flawed, and lacking a solid and central ideological framework."

KBL officials led by former Sepaker Nicanor Yniguez, acting KBL president, questioned the inclusion of extraneous and highly controversial provisions such as the extension of the term of office of President Corazon C. Aquino and Vice-President Salvador H. Laurel up to June 1992.

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CSO: 4200/45

MILITANT GROUP CLAIMS POLICE INACTION ON ABUSES

HK150701 Davao City THE DAILY SAN PEDRO EXPRESS in English 26 Sep 86 pp 1, 9

[Article by Lan V. Daval]

[Text] A militant organization in Davao City yesterday hit the military for its alleged inaction on the atrocious "attack" by the alleged members of the Alsa Masa [Revolt of the Masses--an anti-communist group] on the picket line established by members of the Nagkahiusang Lumpolopyo sa Agdao (Nala) [translation unknown] and Alyansa Batok sa Kawad-on (Albaka) [Alliance Against Disappearances] in front of the city legislative building the other day.

In a printed manifesto circulated yesterday afternoon, the Bayan [Bagong Alyansang Makabayan]New Nationalist Alliance]--Davao City chapter castigated the military for not doing anything to stop Alsa Masa members from destroying Albaka and Nala placards and their shouting unprintable charges against the latter organizations.

The Bayan--Davao City chapter said that all the while the military had been witness to what Alsa Masa members did, like the destruction of their tents.

The Bayan further alleged that instead of looking into the charges of Agdao residents that the Alsa Masa are the ones sowing terror in Agdao, the military command instead said that it would not disarm the civilian volunteers who are anti-NPA and are therefore helping the military.

According to Bayan, instead the military command headed by Brig Gen Romeo Recina promised to augment the detachments not existing in various places in Agdao.

The militant organization also sounded its call to the civilian officials in Davao City to enforce its authority over the military so that the problem in Agdao will be finally solved.

According to Bayan--Davao and Albaka and the Nala will continue their picket until their demands for the disarming of the CHDFS [Civilian Home Defense Force] and the Alsa Masa will be done by the military.

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CSO: 4200/45

LABOR COUNCIL REJECTS NEW STRIKE GUIDELINES

HK091451 Quezon City BUSINESS DAY in English 9 Oct 86 p 2

[Text] The Labor Advisory Consultative Council (LACC) yesterday rejected the Ministry of Labor and Employment (MORE) guidelines on labor relations signed recently by Labor Minister Augusto S. Sanchez, saying that they are based on existing labor laws considered as "restrictive, repressive and oppressive" by the labor sector.

The LACC, the umbrella group of the country's major labor federations, unanimously decided in a meeting last Tuesday evening to totally reject the guidelines. Members of the LACC include the Kilusang Mayo Uno (KMU) [1 May Movement], Trade Unions of the Philippines and Allied Services (TUPAS), National Association of Trade Union, KATIPUNAN [Ambansang katipunan ng Manggagan ang Pilipino-National Union of Filipino Workers], Federation of Free Workers, and Lakasang Manggagawa [Workers' Power] independent union.

Speaking in behalf of the LACC, KMU chairman Rolando Olalia said the labor leaders rejected the guidelines because they are based on Presidential Decree No. 442 (the labor code) and Batas Pambansa Blg. (National Law Number) 130 and 227. These laws are considered "repressive" of the political rights of labor, like the right to organize and to strike, Olalia said.

"The said labor laws are among the remnants or vestiges of the Marcos dictatorship, and as in the case of the 1973 Constitution, they should be abolished as an integral part of the democratization policy of the present government" Olalia said.

The LACC wants the present labor relations system "uprooted" so that a "more democratic and liberal" system may be put in place. Former President Marcos did a similar uprooting during martial law when he abolished Republic Act No. 875 (the Magna Carta of Labor) and other pre-martial law labor laws which enabled him to form the 1974 Labor Code of the Philippines, he pointed out.

Instead of the guidelines, the LACC urged President Corazon C. Aquino to issue an interim executive order that will contain her Labor Day announcements and, at the same time, provide the framework for a new labor relations system. A final executive order can be issued after in-depth discussions on

a replacement for existing labor laws, in the same way that Mrs Aquino issued the Freedom Constitution pending the drafting of a new constitution, the LACC said.

"The institution of a more democratic and liberal labor relations system will certainly contribute to economic development for it will induce the avoidance of labor disputes," Olalia said.

Sought by BUSINESS DAY for a reaction, Sanchez said an overhaul of the entire labor relations system cannot be done immediately because any change in the law has to pass through a legislative body. But despite the existence of "repressive" labor laws, "we are not implementing the repressive provisions," Sanchez said.

Regarding LACC's proposal for Mrs Aquino to issue an interim executive order, Sanchez said: "Let them see first (our) executive order, then let them complain." He said his ministry yesterday submitted to Malacanang a draft executive order amending provisions of the Labor Code that would also serve as a legal backup to the MOLE guidelines.

Sanchez, who is known as an ally of the labor sector and the creator of the LACC, expressed surprise that the labor group rejected his guidelines. He recounted that in the meeting last week between him and labor leaders, labor was mainly concerned with the issuance of an executive order to support the guidelines.

The labor ministry, in fact, agreed to amend certain provisions of the already signed guidelines as suggested by LACC, Sanchez said.

"They can complain of repressive laws, but can they complain of repression?" Sanchez asked. He said that so far he has not received any complaint from the labor sector on the manner the MOLE has been implementing the so-called "repressive" labor laws.

Sanchez said he hopes Mrs Aquino will sign the executive order within the week. The MOLE guidelines on labor [word indistinct] will become effective 15 days after its publication in newspapers of general circulation.

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CSO: 4200/45

PAMPANGA TOWN SEEKS RELOCATION OF CLARK RUNWAY

HK101405 Quezon City ANG PAHAYAGANG MALAYA in English 10 Oct 86 pp 1, 2

[Article by Sonny Lopez]

[Text] Mabalacat, Pampanga--A resolution seeking the relocation of the multi-million peso Clark Airbase runway has been unanimously approved by the members of the Sangguniang Bayan [town board] of this bustling commercial and agricultural town.

Sangguniang Bayan member Reynaldo Candelaria, the resolution's sponsor, said it was high time that residents here be spared the dangers and health hazards posed by the supersonic jets as well as the cargo and passenger planes that pass through the town's Poblacion [downtown center] and seven other Barangays.

Directly affected, according to Candelaria, are Barangays Dolores, San Joaquin, Mamatitang, Cacucud, Tabun, San Francisco, Sta. Rosario and thickly-populated Poblacion.

In his resolution, Candelaria said that aside from the noise pollution, the U.S. Air Force planes flying at dangerously low altitudes may collide or crash at any of the eight Barangays, most of which are residential and commercial centers. He cited the recent crash of a Philippine Air Force at the height of a rainstorm in a densely-populated area in Angeles City which claimed four lives. [sentence as published]

Candelaria, in the three-page resolution, added that noise pollution adversely affects the education and learning of young children and the efficiency of government as well as private workers.

Agricultural business, especially poultry raising, is affected by the U.S. planes' flight patterns. Cases in the U.S. reveal that noise pollution diminishes the capacity of chickens to lay eggs, Candelaria said.

Medical studies also show that exposure of some sound levels exceeding 90 decibels, damages the auditory and non-auditory functions of the human body, causes stress affecting the digestive, respiratory and central nervous systems, the resolution added.

Stressing the need to protect the citizens of this town, Candelaria, in his resolution, proposed that Clark authorities undertake corrective measures. These include the diversion of takeoff and landing patterns of U.S. planes and/or relocation of the Clark runway plus payment of just compensation for damages caused to the people of this town.

Meanwhile, Edgar Lopez, provincial chairman of the Democratic Nationalist Alliance, told MALAYA that no amount of resolution of the same nature or public protestation will effect the transfer of the Clark runway. Lopez said the recently-improved runway is part of the major buildup program of the U.S. defense in the Pacific.

Cries of protest by the people of a small Philippine town will not change the plans of the United States. They were not even considered during the planning stages, he added.

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CSO: 4200/45

DAVAO REBELS TARGET GOVERNMENT 'ENEMIES'

HK140515 Manila PHILIPPINE DAILY INQUIRER in English 13 Oct 86 pp 1, 6

[Article by Serafin Ramos, Jr]

[Text] Davao City--Top communist officials in southern Mindanao said Friday hit men of the New People's Army (NPA) are out "to punish our enemies on a selective basis only" following the gunslaying of three policemen at the Bankerohan public market here.

They revealed that patrolmen Cecilio Rivera, 40; Rolly Monton, 30 and Nestor Agres, 29; who were killed by heavily armed men Friday morning, had been on the NPA death list for alleged atrocities.

The disclosure was made in a new conference at a rebel-held territory somewhere in Davao City in the presence of about 200 fully armed guerrillas, who included a 13-year-old rebel, seven women, and Barrio residents.

Ka [Comrade] Bosyo, 26, spokesman of the National Democratic Front, clarified the "specific targets" of NPA liquidation squads "are enemies who have not yet reformed their ways" despite the fall of the Marcos Government.

He, however, pointed out the "revolutionary forces forgive the Marcos-era enemies who have formed and answered President Aquino's call for national reconciliation."

The NDF also owned responsibility for the recent killings of Metrodiscom Deputy Commander Lt Col Manuel Garcia, Police Lt Melecio Busque, and PC [Philippine Constabulary] Capt Joseph Espina.

Underground mass organizations were represented by panelists from the labor sector, religious groups, professionals, and youth and urban poor.

A Kabataang Makabayan spokeswoman also revealed that the outlawed organization of youth and students has posted "self-defense units" in schools throughout southern Mindanao. Members of these units, according to Ka Iding, 24, are armed with pistols "to take charge of the enemies inside school premises." She said these groups have killed "enemies" inside schools since their establishment in 1984.

A 30-year-old woman doctor, who is known in the underground movement as Ka Tejane, represented the health sector which, she said, has trained medical workers in the ranks of the NPA.

In the religious sector, a clandestine organization called Christians for National Liberation was said to have mass bases in two diocese and two arch-dioceses in the region. The spokesman, an ex-seminarian, said CNL membership is composed of lay workers, pastors, priests, and nuns.

NDF Cotabato representative Josefina de Arce, 35, wife of a top CPP leader killed in Cebu in 1984, told newsmen the arrest of NAP Chief Rodolfo Salas has "slightly" affected the revolutionary movement. But she noted the arrest of any communist leader is "expected" and does not demoralize the rebels.

The NDF said it is still open to negotiations for a regional ceasefire. It said the NPA national leadership has not given any directive "to close talks with the Aquino Government," contrary to published reports.

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CSO: 4200/45

DEATH SQUADS SAID WORKING AGAINST MINDANAO NPA

HK150659 Davao City PEOPLE'S DAILY FORUM in English 1 Oct 86 pp 1, 8

[Text] The formation of death squads composed of military men in civilian clothes has allegedly been organized in Davao City by Brig Gen Romeo Recina, RECOM [Regional Command] commander for Region XI.

This was disclosed by the Mindanao National Democratic Front [NDF] in a press statement as they pointed out that the formation of the military's death squads is one of the stumbling blocks to the current peace negotiations by the civilian government with the NDF.

The death squads were apparently organized in order to give the dissidents' "death squads a dose of their own medicine."

The death squads of the military have been tracking down also NPAs in what has been described as salvaging operations.

The NDF, among other things, said the continued armed hostilities in Mindanao, particularly Davao, were brought about by the intensifying militarization, the massive movement of troops from one region to another, the widespread military operations in the interior areas, the continuing increase of CHDF [Civilian Home Defense Force] and other paramilitary forces and the formation of death squads by the military in urban centers.

The NDF said that Gen Fidel Ramos, AFP [Armed Forces of the Philippines] chief of staff, has ordered last month the positioning of military troops in all strategic areas of Mindanao before a ceasefire is agreed upon on a national level.

They claimed that Col Marcelo Blando, commander of the Scout Rangers Battalion issued the mission order for 24 August, 1986 which called for massive military operations in the ceasefire areas of Davao del Norte with the main objective of killing the regional NDF-CPP [Communist Party of the Philippines]-NPA leadership of Southeastern Mindanao.

The NDF said that these were outright violations of the people's legitimate right to genuine peace as expressed by the local government, the local church leaders and other concerned citizens who signed on the local peace agreement in Davao del Norte.

The NDF also criticized Pres Aquino for taking the side of the irresponsible military officers without investigating first the real facts, adding that this was an utter disregard of the people's legitimate interest.

They added that the breakdown of the local peace agreement is now the responsibility of Pres Aquino and that she will be held accountable for this to the people.

On the other hand, the NDF said they fully appreciate the courageous stand of the local government of Davao del Norte, the church leaders and other concerned citizens in defending the people's legitimate interest. This, they added, should have enjoyed the full support of the president.

The NDF warned that the national government should stop using local peace dialogues as means of pressuring and threatening their national negotiators. If it continues to do so, the NDF said they will be forced to close all channels of peace dialogues and the national government will be held responsible for the breakdown of the peace efforts not only in Mindanao but on the national level.

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CSO: 4200/45

MINDANAO CIVILIANS SAID ARMING THEMSELVES

HK140521 Manila THE MANILA CHRONICLE in English 12 Oct 86 p 2

[Article by R.G. Roy]

[Text] Zamboanga City--Military authorities yesterday confirmed that some civilian groups in Mindanao have begun arming themselves in preparation for a possible open warfare between government forces and the Moro National Liberation Front (MNLF).

Brig Gen Cesar Tapia, Southern Command (SouthCom) chief, said they had received persistent reports about the arming of civilians but said the military was monitoring the situation closely and is in control.

CHRONICLE sources said the war-ready civilians are composed of Christians and Muslims who are not members of the MNLF, and that they are mostly in areas where the MNLF is strong, like Lanao, Cotabato, and Basilan.

The CHRONICLE learned that the groups were arming themselves for "self-defense and would immediately side with the armed forces in case of a breakdown in the peace talks between the government and the MNLF. [no closing quotes as published]

Tapia, said the civilians might have been alarmed by MNLF chairman Nur Misuari going around Mindanao for consultations with his followers in the company of 1,500 to 2,000 heavily armed escorts.

Tapia noted that the civilians might also be merely reacting to some reported remarks of rank and file MNLF elements that the rebels might confiscate private lands in Mindanao once they take over the region.

He said military authorities were also monitoring the massive training and recruitment by the MNLF in Basilan but urged local residents not to be unduly alarmed by the development.

Brig Gen Arturo Asuncion, acting commander of the Regional Unified Command, has claimed the MNLF was recruiting high school students for training and that the rebels were inducing their comrades who had surrendered to rejoin the movement with promises of high salaries.

Sources earlier told the CHRONICLE that the MNLF was training recruits somewhere in the boundary of Sumisip and Tuburan towns near the urban center of Basilan and the trainers included "new faces" who might have arrived in the country from abroad with Misuari.

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CSO: 4200/45

NEW FORCE AGAINST NPA DEPLOYED IN MINDANAO

HK140401 Manila THE MANILA CHRONICLE in English 13 Oct 86 pp 1, 2

[Text] The military has deployed a highly-trained counter-guerrilla force tasked to track down specific target personalities of the New People's Army in Mindanao. A brainchild of Brig Gen Mariano Adalem, 10th Regional Unified commander, the elite unit has employed a new tactic called "rabbit hunt" because members of the group can cross boundaries in search for their quarry.

Describing the innovative military operation, Adalem said "we have assigned specific targets to go after specific personalities." Adalem briefed Armed Forces Chief Gen Fidel Ramos on the mission of the "rabbit hunters" whose well-rounded training in counter-surgency warfare makes them a formidable force to reckon with.

For the unit to perform its mission flawlessly, Adalem has made coordination with other RUC [Regional Unified Command] commands in Mindanao, particularly during hot pursuit operations of fleeing NPA bands.

The area of responsibility under Adalem was recently expanded with the addition of Surigao del Sur, formerly under RUC 11. Surigao del Sur is one province that is heavily infested by the NPA, Adalem said.

The stepped-up NPA activities in Northern Mindanao will put Adalem's "rabbit hunters" busy. Intelligence reports reveal that the region has three regional party committees with 798 armed regulars, 790 party members and with a base of 117,000.

Adalem said the Communist Party of the Philippines and its military arm, the NPA, have intensified their infiltration in Region 10. Of the 2,294 barangays in Northern Mindanao, 586 are infiltrated, 168 are influenced and over 1,000 are targeted for communist infiltration, Adalem said. He singled out Surigao del Sur as the most affected area, followed by Misamis Oriental and the Agusan provinces in that order.

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CSO: 4200/45

NPA DENIES KILLING COLONEL, THREATENING BALWEG

HK140343 Manila THE MANILA CHRONICLE in English 13 Oct 86 p 2

[Text] Baguio City--The New People's Army (NPA) had nothing to do with the death of Lt Col Rex Baquiran, according to Ignacio Capegsan, member of the Communist Party of the Philippines (CPP) political bureau, and spokesman for the revolutionary forces in the Cordillera where Baquiran was killed last 13 September.

Capegsan refuted the general belief that it was the NPA which was responsible for the torture and death of Baquiran. He also denied reports that the NPA had issued arrest orders against rebel priest Conrado Balweg.

A certain "Ka [Comrade] Sandra," who claimed to be speaking for the Cordillera People's Democratic Front (CPDF), the revolutionary coalition in the region had told a national daily that the NPA was going to arrest and try Balweg.

Capegsan said the two NPA commands which could have killed Baquiran had been investigated by NPA higher organs. Baquiran was killed in Pinukput Town, a boundary town close to Cagayan. Both the Cagayan and Kalinga-Apayao commands had denied involvement in the killing, Capegsan said.

"Hindi namin kagagawan (we are not responsible)," the Cagayan NPA command said, according to Capegsan. The Kalinga-Apayao Command said that "we made no policy to execute Baquiran, and we sent no units or individuals to the area for this purpose."

Capegsan's denial raises new possibilities regarding Baquiran's death. Among these are his murder by a para-military group or by business rivals.

Baquiran, who was engaged in buying and selling local products such as coffee, might have been chipping profits out of the unofficial coffee monopoly existing in the area. Or he might have been ordered killed by hostile military officials who resented his unconventional methods and ideas.

Baquiran was known to be receptive to leftist ideas. He was a rebel in the Philippine Military Academy, attended political rallies, joined progressive political organizations, and was friendly with political detainees. In the course of his trading, he was also reported to have had easy access to guerrilla zones.

Capegsan said Baquiran could have been one of the military officers who rebelled against military practices, or he could have been an intelligence officer who went to the guerrilla zones not really on goodwill missions but to spy.

"But Baquiran, just the same, had no known blood debt to the people. The NPA had no reason to kill, much less torture him," Capegsan said.

Capegsan said the NPA is still convincing Balweg and his party to return to the NPA. "Ka Sandra," Capegsan also said, "is a fictitious person. No spokesperson for the NPA or CPDF goes by that nom de guerre."

"Allegations that we will arrest him are in the same category as Balweg's earlier claim that we were out to kill him," Capegsan said. "If we really planned to execute him as alleged by a report in the Government News Agency early last month, or to arrest him as is now reported, why should we announce it first before doing anything? The NPA does not do its military work in the media. Those rumors are simply not true," he said. "It is probably being spread by those interested in driving a wider wedge between the NPA and the CPLA [Cordillera People's Liberation Army]."

It was with top regional military authorities that the CPLA signed formal truce agreement last 13 September in Mount Data Lodge, a mountain hotel 13 hours' drive from Manila. President Aquino herself flew in for the talks.

Capegsan noted, however, that the military gave Balweg a "baby" armalite during the Mt. Data talks. Later, more high-powered firearms were reported as having been accepted by the CPLA from military sources. Reports as to the number of firearms actually handed over by the military varied from 4 to 20. The CPLA has denied receiving any arms from the military.

"Why is the military giving the CPLA arms? Where shall this lead--will the CPLA now use the arms against the NPA and the people?" Capegsan asked.

Capegsan was a member of a team of NPA leaders of minority origins designated by CPP leading organs to hold talks with the CPLA leaders last May. Capegsan claims that party authorities wanted to avert further misunderstandings between the two groups, the NPA and the smaller CPLA. They had wanted to resolve differences within the CPDF coalition, instead of the Balweg group splitting from the NPA and forming another armed organization.

Capegsan criticized the CPLA-government truce as an "act of surrender and collaboration" the CPLA said. He said it was a surrender because the people of the Cordillera gained nothing politically, and a collaboration because the CPLA has become an instrument of the military against the NPA.

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CSO: 4200/45

MILF URGES RECOGNITION OF BANGSA MORO AUTONOMY

HK101421 Manila THE MANILA CHRONICLE in English 10 Oct 86 p 1

[Text] Sultan Kudarat, Maguindanao, (PNA)--The Moro Islamic Liberation Front (MILF) yesterday asked the government to recognize the Bangsa Moro people's rights to self-determination through genuine and meaningful autonomy.

The MILF under Hashim Salamat, a breakaway faction of the Moro National Liberation Front (MNLF) headed by Nur Misuari, made known its stand in a resolution at the close of the four-day MILF's Bangsa Moro Islamic Armed Forces (BIAF) military consultative assembly in Darapanan, a village of this farming town.

In their resolution, the congress participants unanimously agreed to an autonomous government for the Bangsa Moro people. Thousands of Muslims, Christians and tribal natives in Mindanao attended the congress.

MILF Vice Chairman for Military Affairs Al Haj Murad said about 90,000 active members of the BIAF also took part in the assembly.

The autonomy, the resolution said, is still within the "realm of the national sovereignty and territorial integrity of the Republic of the Philippines."

The participants also asked for a "constitutional declaration to guarantee and promote the Bangsa Moro rights and aspirations for self-government."

Salamat, who is in Jeddah, is seeking a peace dialogue with President Aquino similar to the one granted to MNLF chairman Misuari in Jolo, Sulu, last 5 September. The Southcom troops had been reportedly ordered to stop and disarm the MNLF followers at the boundary of Zamboanga City and Zamboanga del Sur.

Reports said a shooting war is expected to break out if the military will disarm Misuari's security escorts. The situation here has been described as tense after the military announced it would not allow the entry here of the heavily armed fighting men of Misuari.

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CSO: 4200/45

MUSLIM GROUP ANTICIPATES CLASH WITH MISUARI

HK110852 Manila Far East Broadcasting Company in English 2300 GMT 11 Oct 86

[Text] A break-away Muslim rebel group is beefing up its forces in the southern Philippines for a possible civil war with the separatist Moro National Liberation Front. Datu Serdausi Abbas, the Bangsa Moro Islamic Party chairman said, he foresaw the outbreak of a civil war in Mindanao in 3 months if President Aquino did not implement the Tripoli agreement in the south. The agreement was signed in 1976 by the former first lady Mrs Imelda Marcos and Libyan leader Mu'ammarr al-Qadhdhafi in Tripoli, Libya. The accord was meant to stand the separate [word indistinct] in the south. The national government must act immediately to prevent this [word indistinct] civil war. Abbas said they are against MNLF Chairman Nur Misuari because his position [word indistinct] Christian to accept citizenship or leave the area. Meanwhile, Misuari has abandoned his plan to enter Zamboanga City. He left for Jolo, Sulu yesterday with his heavily-armed 1,500 security escorts and they proceeded to Jolo, Sulu yesterday to avoid the bloody showdown with the government troops in Zamboanga City. Misuari was supposed to go to Zamboanga City yesterday for a dialogue with the residents on the Mindanao problem, but presidential troubleshooter, Agapito Aquino counselled him against going to Zamboanga City after the military announced it was [word indistinct] the firearms banned. Aquino met Misuari in Pagadian City yesterday noon, where the Muslim rebel chieftain had encountered [word indistinct] with the residents there. The military said it would not allow the bodyguards of Misuari to enter Zamboanga City with their firearms adding it can provide security to the MNLF chairman.

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CSO: 4200/45

MANILA ASKS FOR DEBT TALKS POSTPONEMENT

HK140617 Quezon City BUSINESS DAY in English 13 Oct 86 p 2

[Article by reporter Daniel C. Yu]

[Text] The government has asked for a postponement of its debt negotiations with the country's creditor-banks to give it time to substantially revise its negotiating strategy in the light of the recently concluded Mexican debt package.

BUSINESS DAY sources in the offshore banking community disclosed that it was the Philippine negotiating team which requested for the postponement of debt negotiations to a later date this month.

Previous reports quoting Central Bank Governor Jose B. Fernandez Jr attributed the postponement to the delay in the negotiations for the Mexican loan agreement with its creditor-banks.

Sources speculated that the substantial concessions which Mexico was able to wangle from the banks could have prompted the Philippine negotiating team to ask for the postponement.

The government was supposed to start preliminary informal talks with the banks last 8 October, but, at the last minute, it decided to open negotiations on 27 October.

The International Monetary Fund (IMF) has already worked out a standby arrangement with the Philippines which includes release of some \$508 million in fresh credit to the country.

The fund's managing director Jacques de Larosiere last 9 September formally endorsed the Philippine program to the IMF executive board.

Finance Minister Jamie V. Ongpin, who returned to the country last Friday, disclosed that the executive board is expected to formally approve the Philippine program on 24 October.

Sources in the international banking community believe that both Fernandez and Ongpin, who jointly head the Philippine negotiating panel, would like to work out more innovative schemes similar to the concessions secured by Mexico.

"Understandably, the Mexican agreement had convinced both Fernandez and Ongpin that they should rethink their strategy," one banker told BUSINESS DAY. He added that the Mexican agreement could be considered as a "break-through" for debtor-countries since it reflects substantial improvements in terms compared to the restructuring agreements worked out two years ago.

Another banker added that Mexico managed to get more concessional terms from the banks, principally due to the influence of the United States.

With last year's "Baker Plan" proposal submitted by U.S. Treasury Secretary James Baker III and other similar proposals presented in the U.S. Congress, a trend was set where the U.S. takes active interest in the working out of comprehensive debt restructuring agreements for heavily indebted countries, he explained.

He added that the participation of the U.S. is critical in convincing banks to put in more money and support a growth-oriented economic program for debtor-countries.

The infusion of new money however is tied in with the liberalization of the debtor-countries' economies and the implementation of certain structural reforms.

In the case of the Philippine program set to be approved by the fund later this month, the government has committed to pursue trade and investment reforms and to rationalize the tax structure.

A major component of the program involves the privatization of a substantial number of state-owned enterprises and the eventual trimming down of government operations in areas traditionally considered within the domain of the private sector.

Both Ongpin and Fernandez returned to the country last Friday after a month's stay in the U.S. where they had private discussions with representatives of the creditor-banks of the country.

While they were in the U.S. the two officials may have worked out a new negotiating strategy for the country, taking into consideration the Mexican agreement. Sources close to the negotiating team told BUSINESS DAY that the Mexican agreement is considered "a positive development" for the country.

Sources added that while previously the Philippine negotiating team was eyeing only the usual concessions to be asked in debt talks--such as the reduction of interest spreads and the stretching out of debt payment terms--with the Mexican agreement, the team can now go beyond these standard negotiating parameters.

One option being seriously considered is tying new money to the performance of the country's export sector as a whole and not just to one product.

Philippine monetary authorities are projecting a not too healthy foreign trade sector in the coming years due to growing protectionism in the international market. This explains why the government has requested from the IMF a compensatory financing facility (CFF) of 224 million special drawing rights (\$270 million). The CFF is a special facility of the fund intended to assist a country that is expecting a substantial shortfall in its current accounts.

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CSO: 4200/45

CENTRAL BANK HALTS DOLLAR SPECULATION

HK091431 Quezon City BUSINESS DAY in English 9 Oct 86 p 2

[Article by reporter Daniel C. Yu]

[Text] The Central Bank (CB) last month successfully quashed what is perceived as a building up of demand for dollars by issuing CB bills. Commercial banks started building up their holdings of dollars beginning early September but decided to unload them toward the end of the month.

After realizing that the exercise would be futile, bankers are now slowly selling back their dollars to the CB which has been the principal buyer in the foreign exchange market trading in recent weeks.

"Things are back to normal once more and there is very little activity in the market," said a foreign exchange trader in a medium size bank.

Apparently, banks thought that with the usual oil payments due last month, pressure would build up on the exchange rate. This prompted a number of banks to build up their holdings of dollars partly to try and sell them to the oil companies and partly for speculation purposes.

The bank's move was understandable in view of the excess liquidity position of many banks following the credit relaxation moves implemented by monetary authorities in recent months. Without a strong demand for loans, banks have nowhere to put their excess funds. In the meantime, they continue to pay interest on deposits.

For the most part of August for example, the reserve position of commercial banks was in excess, even hitting a high of P1,046 billion for the week of August 18 to 22 when available reserves reached P19,803 million compared to required reserves of only P18,757 million. This could have prompted bankers to start thinking of switching some of their peso holdings into dollars during the month of September.

Latest CB statistics made available to BUSINESS DAY showed that as a result of this switch, four weeks after the substantial excess position of commercial banks, the system was suddenly in deficit to the tune of P1,252 million.

While the deficit condition of the system was building up, there was increased activity in the foreign exchange market. During the last week of August, total volume of trading reached only \$1 million with Bank of America as the buyer and Hong Kong Bank the seller.

On the first week of September, trading jumped to \$23.1 million with the CB selling some \$12.7 million in the market or 55 percent of the total transaction. There were 10 banks which purchased dollars in varying amounts.

During the second week, volume reached \$12.5 million with the CB again dominating the sellers' side, accounting for 56 percent or \$7 million of total trade.

Perceiving this apparent resurgence of activity in the market, the CB, during the second week, started re-issuing its very short-term one to four months CB bills--something it has not done since July.

By the third week of September, banks realized that their stepped up purchases were not affecting the exchange rate and a number of banks began unloading their dollar holdings.

By the end of last month, there was no doubt in the minds of bankers that the CB had indeed squelched speculation on the exchange rate. Total trading volume during this last week went up to \$50.9 million but banks were not buying and were selling their dollar holdings back to the CB.

Out of the total volume, the CB bought some \$38.4 million or 75 percent of the total with the balance bought by some banks to meet their normal foreign exchange requirements.

Banks continued to unload their holdings of dollars up till yesterday with the cumulative [word indistinct] since 1 October reaching a total of \$40 million of which the CB gobbled up \$37 million or 93 percent of the total.

In yesterday's trading, the CB actually bought all of the dollars sold in the market totaling \$12.1 million. Sellers were City Trust Banking Corp., Far East Bank and Trust Co., Bank of the Philippine Islands and United Coconut Planters Bank.

Bankers interviewed yesterday noted that demand for foreign exchange which normally picks up at about this time has remained very soft. This is the reason why many banks decided there was no point in holding on to dollars since there is no perceptible pick-up in industry's import requirements.

With the foreign exchange rate speculation squashed, some bankers noted that the CB just as quickly withdrew its one-to-two-month bills and placed them on hold for immediate recall if the need arises.

One banker pointed out that while the CB has quashed the speculation fever last month, this could crop up again in the future because of the very liquid position of most banks.

"When there is liquidity over and above what the system could absorb, speculation is inevitable. This could later effect the exchange rate and put pressure on the peso," one banker commented.

He added that this is a real problem that the monetary authorities should begin to look into and try to correct.

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CSO: 4200/45

VALUE OF TRADITIONAL EXPORTS DROPS 3.68 PERCENT

HK091338 Quezon City BUSINESS DAY in English 9 Oct 86 p 13

["Economic Indicator" column: "Fall of Traditional Exports"]

[Text] Exports of traditional goods during the first seven months of the year reached a freight on board (FOB) value of \$760 million, representing a slight 3.68 percent drop from last year's \$789 million, data gathered from the Central Bank showed. Traditional goods shipped out of the country during the period accounted for 27.96 percent of total exports valued at \$2,718 million.

Coconut products, the biggest foreign exchange earner during the seven-month period, reported a 8.46 percent hike to \$282 million from last year's \$260 million. This commodity group includes copra, coconut oil, desiccated coconut and copra meal/cake.

Coconut oil exports, which constituted the bulk or 76.24 percent of coconut product shipments, rose 6.44 percent from \$202 million in 1985 to \$215 million. This was attributed to the 139.73 percent increase (from 297,000 metric tons in 1985 to 712,000 metric tons) in the volume of coconut oil shipments which offset the decline in prices. The unit price of this product for the first seven months averaged \$302 per metric tons, 55.59 percent lower than the \$680 per metric ton registered last year.

On the other hand, exports of desiccated coconuts reported a 45.45 percent drop in value from \$44 million during the January-July 1985 period to this year's \$24 million. The decline was due to the 52.59 percent slump in the market price of this product which was pegged at \$632 per metric ton at end-July 1986 from \$1,333 per metric ton last year.

Traditional Goods Exports
January to July 1985 & 1986
(Volume in thousand metric tons;
unit price in U.S. \$/mt; value in million U.S.\$)

<u>Commodity</u>	<u>vol.</u>	<u>1986 u/p</u>	<u>value</u>	<u>vol.</u>	<u>1985 u/p</u>	<u>value</u>
Coconut products			282			260
copra	25	120	3	--	--	--
coconut oil	712	302	215	297	680	202
desiccated coconut	38	632	24	33	1333	44
copra meal/cake	452	88	40	172	81	14
Sugar and Products			66			127
centrifugal refined	137	387	53	402	286	115
molasses	229	57	13	351	34	12
Forest Products 1			109			122
logs	255	82	21	271	92	25
lumber	257	195	50	310	181	56
plywood	122	221	27	151	199	30
vener sheets/corestocks	28	214	6	39	179	7
others			5			4
Mineral Products			157			137
copper concentrates	213	263	56	232	241	56
gold 2	226	323	73	176	307	54
chromium ore	69	87	6	59	102	6
others			22			21
Fruits and Vegetables			85			89
canned pineappel	103	476	49	119	504	60
pineapple juice	20	300	6	16	313	5
pineappel concentrates	17	588	10	12	583	7
others			20			17
Abacs Fibers	14	571	8	15	667	10
Tobacco Unmanufactured	15	1200	18	14	1286	18
Petroleum Products			35			26
Total			760			789

1 volume in thousand cubic meters; unit price in U.S.\$/cu.m.

2 volume in thousand ounces; unit price in u.s.\$/oz.

Source: Central Bank

PAPER REPORTS CONTINUED LOW IMPORT ACTIVITY

HK101253 Quezon City BUSINESS DAY in English 10 Oct 86 p 3

[Text] Import activity remains weak and most banks continue to report limited demand for foreign exchange to finance importations.

Chester G. Babst, president of Rizal Commercial Banking Corp., said yesterday that while there has been a slight increase in the number of letters of credit (l/cs) opened since the start of this year, these are mainly to replenish stocks purchased prior to the latest quarter.

"There has been a slight improvement but not enough," Babst observed, noting that the bulk of importations are raw materials but not of the type needed by heavy industries.

Expressing his views as a panel discussant at yesterday's meeting of the Financial Executives Institute of the Philippines (FINEX), Babst said the bulk of importations is made up of such commodities as wheat flour, feed grain and a few spare parts.

He said there are no finished consumer goods being imported, perhaps reflecting traders' belief that the purchasing power in the country remains very low.

He said holiday season goods, importations of which should be picking up now, are not on the list of commodities being imported these days.

Babst said traders appear to be taking their time in bringing in these goods, knowing that as a result of the depressed consumer demand, purchases this year would be very low.

Developments this year, Babst said, are certainly better than last year when there was really no movement. If anything, Babst said, this clearly shows that the economy has hit the bottom and "now we are moving horizontally."

He said that from here, the economy can take off depending on the reaction of the private sector to various government programs, particularly the pump-priming program.

Victor Lim, vice president of the Philippine Chamber of Commerce and Industry (PCCI) who was also one of the panel discussants, said the pump-priming program is very crucial in determining how soon the purchasing power of consumers can be restored.

He also cited the recent visit of the president to Indonesia, Singapore and the [word indistinct] as positive factors that should help recovery.

Cesar Buenaventura, president of Pilipinas Shell Corp., said imports of non-oil products during the first eight months this year went up by 31-32 percent.

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CSO: 4200/45

PHILIPPINES

BRIEFS

NEW WOMEN'S PARTY--A new political party of Filipino women was formed yesterday [11 Oct] called Kababaihan Para sa Inang Bayan [Women for the Mother Country], or KAIBA. The party was launched by military activist Maita Gomez and Lanao del Sur Governor Tarhata Lucman. Some 500 delegates from all over the country approved the new party's constitution and program of action. Party leader said the ruling faction is opening the country to a new era of powerful political force in the country. Social Welfare Minister Mita Pardo de Tavera challenged the women to build their party in the first successful all-women political faction [as heard]. KAIBA is the first all-women's political [sentence incomplete]. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 12 Oct 86 HK] /9738

CSO: 4200/45

SITTHI COMMENTS ON JAPANESE INVESTMENT, TRADE

BK110234 Bangkok BANGKOK POST in English 11 Oct 86 p 11

[By Tara Chin in Tokyo]

[Text] Foreign Minister Sitthi Sawetsila said in Tokyo on Thursday that several giant Japanese trading corporations are planning to invest in Thailand in the near future.

ACM [Air Chief Marshal] Sitthi said in an exclusive interview with the BANGKOK POST that he had told presidents of those companies that Thailand would give more investment incentives and streamline bureaucracy to suit foreign investors. He cited tax holiday, customs duty exemption, rationalisation of tax structure, construction of additional infrastructure and expansion of telecommunications services as among the Government's new elements to lure more foreign investors.

In this connection, he said a high government committee had been set up to take charge of the issue and it was mandated to make decisions on investment.

ACM Sitthi held a luncheon meeting with a group of top Japanese businessmen here on Thursday [9 October], during which, he said he had received "very positive responses" from them. He declined to disclose the names of the companies, saying that they were among "the biggest" in Japan and that most of their investments would be export-oriented.

ACM Sitthi said most of the Japanese business leaders he met had complained about Thailand's uncertain government policies, complicated rules and procedures on foreign investment. He said Japanese investment in Thailand had become the lowest among ASEAN nations, which have been collectively suffering from runaway Japanese investments in recent years.

To allay Japanese fears on these matters, he said he had assured the Japanese business leaders that the Thai Government would reduce its role and intervention in the conduct of economic activities while strengthening the role of the private sector.

According to ACM Sitthi, business leaders told him at the meeting that if Thailand improved its infrastructure and simplified government rules affecting the investment climate, "then it is not necessary for Thailand to advertise

itself since the country is already endowed with abundant resources, cheap and skilled labour."

Regarding the strong yen situation, he said Thailand and other ASEAN countries were coping with the problem by borrowing money from other sources to pay yen-denominated loan interests while at the same time also carrying out the refinancing of some of the loans in other currencies.

In the case of Thailand, he said most of the outstanding debts owed to Japan were long term ones and therefore the impact of the yen appreciation and debt-servicing burden would be spaced out and more than compensated for by increased exports to Japan.

The rapid rise of the yen has led to a considerable increase in Japanese imports of Thai products while Thailand's imports of Japanese goods have declined.

Last year's trade deficit with Japan was 40.7 billion baht, or 71 of Thailand's total trade deficit.

Commenting on the recent GATT conference in Uruguay, he said Thailand was quite satisfied with the outcome which was a strong commitment to bring all measures affecting agricultural trade under check. He said he hoped Japan would take an active role in the forthcoming round of multilateral trade talks.

On the Kampuchean problem, ACM Sitthi said the resistance government was expected to win another one or two more votes at the UN adding more missions had been dispatched to different countries to give them briefing on the problem.

ACM Sitthi was here on a two-day unofficial visit during which he met Prime Minister Yasuhiro Nakasone, his counterpart Tadashi Kuranari and ruling Liberal Democratic Party executives.

After his talks with Mr Kuranari, he said that the Japanese side had promised to buy more Thai maize and would send experts to help improve Thai farm produce.

He said as next year marks the 100th anniversary of Thai-Japanese relations, he believes more Japanese projects will be launched in Thailand, thus helping to redress the trade imbalances between the two countries.

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CSO: 4200/44

REPORTAGE ON REACTION TO LOG SCANDAL, COMMERCE MINISTER

Democrats Agree to Vote Against Surat

BK090243 Bangkok THE NATION in English 9 Oct 86 p 1

[Excerpt] The Democrat Party sprang a major surprise last night when it decided to give Commerce Minister Surat confidence voting against the Social Action minister in connection with the Burmese log scandal.

The decision was made during a five-hour meeting of 36 Democrats who argued that Surat failed to provide evidence to clear himself about the opposition parties' charges.

Deputy Democrat leader Kraison Tantiphong told a news conference at about 10 pm that the meeting also assigned deputy leader Marut Bunnak, deputy leader Banyat Banthathan and Secretary General Wira Musigaphong to inform Prime Minister Prem Tinsulanon and a SPA [Social Action Party] leader of the party resolution last night.

"Even if Premier Prem asked us to help Surat, the working group will insist that the decision is irreversible," said Kraison, who added that all the other Democrats who did not attend last night's session would be informed of the decision immediately and were instructed to show up in full force at today's House session.

Kraison said that the party still backs Gen Prem as prime minister despite the decision. "As a matter of fact, we feel like voting for the commerce minister but he failed to discredit the charges against him," he said.

The Chiang Mai MP added that even if Surat was a Democrat, the party would still have to vote against him.

"We arrived at the decision based on the awareness that we must consider our working relationship with other coalition partners because in the end, virtues must reign over the other considerations," he said.

He said that Democrats debated the issues at length during the meeting and all of the speakers argued that the party should place priority on principles.

The move will automatically oust Surat from the two-month-old Cabinet member because with 115 opposition MPs set to vote against Surat, the Democrats' votes would bring the number of the no-confidence votes to about 215, well exceeding the required simple majority of 174 votes. [editorial notation omitted]

Editorial Urges Minister's Resignation

BK100025 Bangkok THE NATION in English 10 Oct 86 p 4

[Editorial: "Surat Given a clear Notice to Resign"]

[Text] Commerce Minister Surat Osathanukhro's victory yesterday by 11 votes (120-109) in a motion of no-confidence brought against him leaves a foul taste in the mouth because there were 91 abstentions, mostly by MPs of the Democrat Party. The Democrats had decided to go along with the opposition but made a last minute switch to abstain from voting on the motion ostensibly to maintain a semblance of unity among the coalition partners in the Prem Tinsulanon government.

The voting pattern clearly shows that the House of Representatives have little faith in Surat (Social Action) because of the order he signed to import illegal logs from Burma thereby jeopardizing Thailand's national and international interests. Although the order was subsequently rescinded, the damage had been done by Surat clearly showing himself to be a man who made, at best, an error of judgment.

At the moment Surat has no option but to resign in order to maintain the public's credibility in the government. His own Social Action Party [SAP] had brought pressure on the Democrat Party to vote its confidence in Surat but the best answer the Democrats could come up with was abstaining. As a matter of fact it would have been much better for his own party as well as unity of the coalition if Surat had resigned immediately after the log scandal had been made public.

The abstention by the Democrats clearly reveals a split in the coalition pitting the two major parties, Democrat and SAP, against each other. The government cannot function in an orderly manner with these two parties on a collision course and, if this government is to survive, the unity that initially brought them together under Prime Minister Prem must be restored.

While the log scandal, which the government has not clearly explained to the public, besmirched Surat and raised the question of his ability to be a member of the Cabinet, yesterday's voting in the House not only increased doubts about Surat but it also cast serious doubts on the credibility of the government itself. A government divided against itself cannot function and it will be incapable of acting in the people's interest.

We sincerely hope that Surat will take all this into consideration and resign forthwith. If he does not do so his own party, SAP, must instil some wisdom into him since the party's own image is tarnished. If Surat continues to be stubborn, it may have to be the unpleasant duty of the prime minister to relieve him of his portfolio.

Issue Seen as Threat to Coalition

BK100203 Bangkok BANGKOK POST in English 10 Oct 86 p 6

[By "POST Reporters"]

[Text] The Democrat Party's abstention on the no-confidence motion against Commerce Minister Surat Osathanukhro yesterday, is a major jolt to the unity of Prime Minister Prem Tinsulanon's two-month-old and trouble-ridden coalition government.

While feelings are running high in certain quarters, particularly among the Social Action Party [SAP] which views the vote as a stab in the back, it is still uncertain at this stage whether the vote could lead to more disastrous repercussions, namely the end of the coalition Government in its present form.

The cause of the problem is a combination of the long-standing internal party struggle between Democrat dissidents opposing the leadership of Phichai Rattakun, and what many Democrats view as the unconvincing explanation given by Minister Surat regarding the Burmese log deal.

Without doubt, the situation within the Democrat Party drives home the fact that unless the Premier can somehow coax the party into finding a solution, his Government cannot start running the country as smoothly as it should be.

The vote of 120 to 109 with 91 abstentions has also strengthened the image of the numerically weak Opposition, further indicating that it will continue to be a razor-sharp sword, stabbing when the moment is ripe and keeping the Government on its toes.

Events leading up to the democrat abstention moved swiftly from the party's meeting on Wednesday night which lasted about three hours and was attended by 36 MPs.

Among the top party leaders who attended were Science Minister Banyat Banthattthan, Agriculture Minister Gen Han Linanon, Deputy Communications Minister Sanan Khachonprasat and Deputy Party Leaders Kraison Tantiphong and Chaloomphan Siwikon, as well as party Secretary-General Wira Musikaphong.

Of the MPs who attended the meeting, a number were dissidents who have been trying to oust Mr Phichai from the leadership, as a result of the dispute over his handling of Cabinet negotiations and the party's 27 July election funds.

While the prevailing feeling during this meeting was that Pol Capt [Police Captain] Surat had failed to clear himself adequately, a number of sources told the BANGKOK POST yesterday that one of the driving forces behind the decision to vote with the Opposition was the desire among a number of dissidents to display their strength, to show that they are a force to be reckoned with.

Sources said that Ministers Banyat and Sanan argued against going with the Opposition, saying that to do so would be in breach of political etiquette and a threat to the coalition's unity.

If the party decided to give Minister Surat the thumbs-down, then the party would also have to resign from the coalition, it was argued.

Although Education Minister Marut Bunnak, Minister Banyat and Secretary-General Wira were asked to convey the party's decision to Gen Prem, it was Mr Wira who contacted the Premier by telephone, sources said.

Party sources quoted the Premier as asking Mr Wira whether the party had considered their decision carefully. The Democrats did not inform the Social Action Party of their decision "but we found out at about 10:00 p.m.," said senior SAP MPs.

Contacts were made throughout Wednesday night between senior officials of the other coalition partners--SAP, Ratsadon and Chart Thai--all of whom had pledged their support for the embattled minister.

The Democrat ministers themselves, party sources said, tried during the night to solve the problem knowing that such a vote could sound the death knell for the present coalition.

The decision to vote with the Opposition provoked dissatisfaction among other Democrat MPs who failed to attend Wednesday night's meeting but were called to meet yesterday morning before the vote.

In submitting their motion to revise the previous decision, it was argued that while most Democrats felt that Minister Surat had failed to clear himself properly, they viewed the move as "too strong" an action.

A crucial point was that such a vote would directly affect the Premier himself.

The 75 Democrats who attended yesterday morning's party meeting were faced with a dilemma: How to wriggle out of a situation so as not to contradict the party's Wednesday night decision in the eyes of the public while at the same time not upset the spirit of unity within the coalition.

To abstain from the vote, as one party MP put it, was "the best way out of a very difficult situation."

Although an abstention may be the correct decision as far as the Democrats are concerned, most SAP MPs view it as a stab in the back, striking at the core of the coalition's spirit of unity.

SAP sources told the POST that had the Democrats voted with the Opposition, the party leadership were pondering two plans of action: The first would be the resignation of Pol Capt Surat, and the more serious alternative of walking out of the coalition.

Most SAP MPs, particularly Mr Surat, have tried to pin the cause of the Democrat decision on the Democrat Party's internal conflict. In the words of one senior MP: "Lightning has struck at a house, but the effect has been felt next door."

This portrayal, however, deflects from the real meaning of the abstention vote: that most MPs in House, who are supposed to look after the interests of the people above and beyond party interests, view Minister Surat's actions concerning the log deal as inappropriate and undeserving of their confidence, despite his explanation.

Democrat MP Chalot Worachat, who voted on Wednesday in support of the no-confidence move, said simply: "An abstention is no different from a no-confidence vote."

No matter how the SAP chooses to portray the abstention, the fact remains that the Democrat decision is certain to affect the future working relationship between the coalition partners, particularly between SAP and the Democrats.

Apart from the hurt, doubts will now always remain as to the reliability of the Democrats during times when the coalition needs to stick together.

The possibility also exists that if the chance arose, the SAP would try to get even.

Although Gen Prem and his advisers have so far remained silent, the question of the Democrat Party's reliability must certainly be at the top of their minds.

The Premier must be wondering how reliable are the Democrats, who are supposed to be the mainstay of the coalition, one MP said. He must also be pondering what can be done so that the party's internal problems will not threaten the coalition on another occasion.

Like the Wira issue, the clear victor in this controversy is none other than the Opposition, which has proven to become even more effective than their predecessors.

The Opposition's performance during the no-confidence debate on Wednesday showed that they were organised. Each of the Opposition party leaders tackled

different points, some more effectively than others but nevertheless provided an effective combined result.

Prachakon Tahi leader Smaak Sunthorawet was quoted as saying that the most impressive of all was the notorious Mass Party leader Capt Chaloom Yubanrung, who was able to produce the most damaging and specific documentary evidence against Minister Surat, while Ruam Thai MP Piyamat Watcharaphon was able to sum up succinctly the Opposition's arguments.

The Democrat Party's abstention has also provided the Opposition with a clear target for the future, a weak point that has emerged as a result of this controversy, namely, the ill-feeling among SAP MPs over the Democrat action.

No doubt they will exploit this weakness as much as possible should another controversy arise.

Editorial: Doubts Remain Over Surat

BK100143 Bangkok BANGKOK POST in English 10 Oct 86 p 6

[Editorial: "Surat Wins But the Doubts Remain"]

[Text] Although the Opposition failed in its no-confidence motion against Commerce Minister Surat Osathanukhro yesterday, the verdict by the House of Representatives is clear. Pol Capt [Police Captain] Surat survived the motion by 120 votes to 109, with the Opposition falling well short of the required 174 votes to oust him. But the last minute decision by the Democrat Party to abstain clearly indicates how they view the explanations given by the minister over his role in the Burmese logs scandal.

On Wednesday night the Democrats decided to vote with the Opposition parties because they felt that Capt Surat had failed to satisfactorily explain his approval for log imports from Burma. The decision was a difficult one since the party's 100 MPs are well aware of the many problems that have plagued the Prem V [Roman Five] Government since it took office two months ago. At the same time, however, they realise that as representatives of the people they must act as their conscience tells them if they are unsatisfied with the Commerce Minister's explanations.

The party's dilemma was solved at a second meeting yesterday morning. Faced with the fact that a vote against Capt Surat would damage, if not destroy, the unity among the coalition partners thus threatening the stability of the Government, the Democrats chose to abstain.

The Social Action Party [SAP], of which Capt Surat is a deputy leader, is bound to feel angry and bitter at the democrats' lack of support for their minister. But as a member of the coalition, the SAP must also realise that the people's interests take precedence over the interests of any one party. Despite their hurt feelings, they are remaining in the Government in order to continue and strengthen the democratic process which is so vital for the country's economic, social and political well-being.

As an honourable MP, Capt Surat should give the implications of the Democrat abstention serious thought. He may have succeeded in defeating the Opposition's censure motion but the narrow margin of the vote will give him little cause for joy. The doubts about his motives in approving the logging

deal still remain and it is unlikely that the Opposition will be content to let the matter rest.

The debate against Capt Surat has also embarrassed the Government which is only just recovering from the controversy over former deputy Interior Minister Wira Musikphong. Whatever the rights and wrongs of the Surat case, it is clear that the Commerce Minister committed a political blunder which has undermined the coalition's stability. We can only hope that Capt Surat has learned his lesson and that other Cabinet ministers don't find themselves embroiled in similar controversies. The new Government needs time to get on with the urgent tasks of administering the country rather than concentrating its energies fending off Opposition attacks on its senior members.

Sitthi. Others Comment on Issue

BK110306 Bangkok BANGKOK POST in English 11 Oct 86 p 3

[Text] Commerce Minister Surat Osathamukhro need not resign, Foreign Minister and Social Action Party (SAP) leader Sitthi Sawetsila said.

ACM [Air Chief Marshal] Sitthi said in an interview by phone from Tokyo that he regretted the Democrat Party's abstention in Thursday's no-confidence vote and would look into its motives. He declined to say what he would do next but promised to look into the Democrats' behaviour without becoming emotional.

ACM Sitthi, who is due to return from Japan late tonight, said: "Khun Surat is a very good man. I understand and love him a lot. I will not do anything that could hurt him even more."

The Foreign Minister said he had been told of the outcome of the no-confidence vote by Deputy Prime Minister Phong Sarasin, who asked him to return immediately.

ACM Sitthi said he declined because his premature return would have given the matter more gravity and would not have affected the vote.

Referring to Pol Capt Surat's plans to visit Iran for a rice-oil barter deal, ACM Sitthi said the minister should carry out his duties as usual.

Progressive Party leader Uthai Phimchaichon praised the Democrats for abstaining and criticised the SAP for complaining about their coalition partner.

Describing the abstention as a "commendable deed", Mr Uthai said the Democrats had adhered to the right principles. Mr Uthai denounced the SAP's intention to keep Pol Capt [Police Captain] Surat in the post. Pol Capt Surat failed to muster 174 votes, which constitutes half of the total number in the House.

The Opposition did not intend "to make a big thing" out of the affair, said Mr Uthai, nor did it intend to press on to the extent it would divide the coalition. Mr Uthai said the problem would not have occurred had Pol Capt Surat announced his resignation and was replaced.

The Progressive leader believed the Government would survive despite ill feelings among the two coalition partners.

Deputy Prime Minister and Ratsadorn leader Gen Thianchai Sirisamphan said the Democrats' abstention should be regarded as something normal and the party deserves sympathy because of its internal bickering.

The Democrats said they decided to abstain because the SAP minister failed to clarify the charges against him by the Opposition. The Democrats earlier decided to vote against Pol Capt Surat but backed down for fear of breaking the two-month-old government apart.

Gen Thianchai ruled out a Cabinet reshuffle in the near future.

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CSO: 4200/44

POST EDITORIAL CRITICIZES GOVERNMENT INACTION

BK100936 Bangkok BANGKOK POST in English 8 Sep 86 p 4

[Editorial: "Time To Get on With Running the Country"]

[Text] Less than two months ago when the Prem V [Roman numeral five] Government assumed office, there were high hopes in the air. It was a Government which seemed to have solid support from all sides. But now a cloud of doubt hangs over it. The coalition has been through a succession of crises, the process of which has been dragging on for far too long. First there was the case of the resignation of a Deputy Minister. Then followed persistent internal bickerings within a major political party, and now comes the moment of truth for another Minister who will today face a no-confidence motion in Parliament.

All this morale-sapping commotion is unnecessary. Generally a "honeymoon period" of six months would have been allowed before a balance sheet was totted up. The frequent eruption of "crises"--both real and imagined, artificial and manufactured--affects the stability of the Government and hampers its ability to govern effectively at a time when the business of the day should be to do just that, and at a time when the prospects of an economic recovery appear to be just over the horizon.

While defensive tactics are all very well in the short-term, the Government would do well now to reconsider its policy of "great endurance," in favour of that of a "grand assault." This would require the cooperation of the government MPs along with the efforts of the Government itself in bringing it about. For it is plain to see that the season of witchhunts cannot last forever; it must end soon, from both inside and outside the administration.

If anything, the dinner which was organised by the Government's Parliamentary Coordinating Committee on Monday indicates just how serious this business is. At stake was not the question of whether the no-confidence motion will be defeated by failing to amass the necessary 174 votes. What was at stake--and will be for some time to come--is the problem of unity among the coalition partners. They must know that they are all in the same boat and will sink or swim together. The coalition partners should not need to be reminded that they must somehow get the crisis over quickly and decisively, so that they can attend to other more urgent matters which affect the well-being of the people who elected them.

Whatever the outcome, all who are involved should know that they have yet to fulfill their trust. So far all sides, both in the Government and the Opposition alike, have little to be proud of. They should not forget that they still have not helped our farmers to help themselves. They should not forget that our economic house is still in disarray. They should not forget that there are still many other social problems waiting for solutions. They should not forget that our nation is still beset by security problems. Above all, they should not sink to pettiness at a time when there are many pressing problems. Is it not time that they give more of themselves in terms of duty and sacrifices to the nation? This is a rather more noble pursuit than sitting around waiting for the blessings of heaven to descend upon them or engaging in unproductive quarrels.

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CSO: 4200/44

EDITORIAL SCORES DEMOCRAT PARTY 'SQUABBLES'

BK110312 Bangkok THE NATION in English 11 Oct 86 p 4

[Editorial: "Democrat Party Squabbles Hamper Government Activities"]

[Text] No sooner than [as published] the Democrat Party abstained from voting on the no-confidence motion against Commerce Minister Surat Osathanukhro (Social Action), thereby drastically damaging the unity of the coalition government, the rebel group within the party met to submit an intra-party motion to call a special meeting of the members to seek the ouster of party leader and Deputy Prime Minister Phichai Rattakun. As a matter of fact this particular issue has been going on and on ever since the coalition government was established.

Earlier two deputy party leaders, Marut Bunnag and Han Linanon, who also hold Cabinet posts, gave their support for the move to oust Phichai. From our point of view, it is entirely a matter of Democrat party politics and whether Phichai continues to be leader or not is immaterial; but that the party, which holds the largest number of seats in the House of Representatives and is a member of the coalition, should indulge in continued bickering is a matter of great concern.

This squabble should be ended forthwith. It is not only tearing apart the Democrat Party--which may possibly end in a split--but it is also destroying the unity of the coalition government. The government even since its inception in August has not been able to get down to business and work in the interests of the people because intra-party and inter-party differences hobble it.

Prime Minister Prem Tinsulanon, who can act tough as he showed when he formed the Cabinet, has been continually talking about foreign and domestic investment to get the economy going but how can anybody have confidence in this near-crumbling government? People who invest millions or billions of baht, whether the money comes from inside or outside the country, would want to know how stable the government is and in what direction is the thrust of policy.

We put the blame for the government's inability to forge ahead entirely on the Democrat Party. It has come to the stage when the Democrat Party should be told: "Put up or shut up"--meaning that the Democrats should get their act

together or leave the coalition. The only contribution that the Democrat Party seems to have made is to hamper government activity right from the beginning. The permanent crisis situation within the party can no longer be tolerated.

/12913

CSO: 4200/44

ECONOMIC COUNCIL ADOPTS NEW TRADE MEASURES

BK140249 Bangkok THE NATION in English 14 Oct 86 p 1,3

[Excerpt] Thailand, expecting a dramatic decline of trade deficit from last year's 62,500 million baht to 29,700 million baht this year, yesterday announced a package of short-term economic measures to minimize risks by spreading foreign exchange dealings to a wide range of currencies and to cut dependence on the American market.

The measures were adopted by the Council of Economic Ministers in the wake of growing concern that the United States will resort to increasing protectionism and isolationism due to the growing trade deficits despite various measures worked out with leading industrialized nations especially with Japan and West Germany.

The Thai government's two-point measures are aimed at reducing the country's economic risks overall to cope with the volatile conditions in the world market.

"The country will reduce its dependence on foreign borrowing and imports, replaced by domestic savings and resources. At the same time, to minimize the risks caused by the world economic system, the government will diversify both marketing and foreign exchange areas to as many sources as possible," a statement released by the Council of Economic Ministers said.

Another policy adopted was to diversify the country's economic activities to more small and medium-sized industries to ensure flexibility in the adjustment to possible economic changes.

Under the two main measures, the ministers also adopted four "action plans" to cope with the fluid situation in the world market.

They are:

--Fiscal policy will remain cautious, including the fixing of the ceiling of foreign debts at \$1,000 million for the next one to two years.

--In making foreign loans, the government will try to hedge against possible foreign exchange risks by spreading out the borrowings to as many currencies as possible.

--In foreign trade policy, the government will try to cut down the dependence on the American market while diversifying buyer countries. The government will also try to produce new products to meet the demand of the new [as published] markets.

In the investment field, the emphasis will be to spread the risks and to reduce dependence on foreign markets by promoting small and medium-sized industries which require low levels of imports while remaining labour-intensive in nature. Large-scale projects will be carried out with great care, thorough consideration and caution.

The minister reported that the strong yen did help Thailand sell more to Japan and the U.S. During the first six months of this year, Thai exports to the U.S. rose by 9.1 percent and to Japan by 23.2 percent.

"It is expected that Thailand's trade deficit this year will be only 29,700 million baht compared to 62,500 million baht last year," the report said.

However, the latest developments in the world market indicated that cooperation among major economic powers will fail to solve the problem of growing trade deficit suffered by the U.S. which reported a deficit for 1985 of US\$148.5 billion, rising to about US\$175 billion this year.

/12913

CSO: 4200/44

BRIEFS

SITTHI-NAKASONE MEETING--Foreign Minister Sitthi Sawetsila, in his meeting with Japanese Prime Minister Yasuhiro Nakasone in Tokyo late last week, invited the Japanese leader to visit Thailand. Air Chief Marshal Sitthi arrived there on Wednesday [8 October] for a three day unofficial visit. The 20 minute meeting heard Air Chief Marshal Sitthi expressing hope that Japan would play a leading role in the new round of bilateral trade negotiations. Mr Nakasone, for his part, called for continued cooperation between Japan and the Association of Southeast Asian Nations in resolving the Cambodian issue. He said if the weekend superpowers' meeting in Iceland promised the withdrawal of troops from Afghanistan, a pullout of Vietnamese troops from Cambodia may follow. [Text] [Bangkok Domestic Service in English 0000 GMT 13 Oct 86 BK] /12913

PARTIES URGED TO WORK--Army Commander General Chawalit Youngchalyut urged the coalition partners last night to get down to work and forget about trivial internal differences. Gen Chawalit, who returned from Indonesia, Malaysia and Singapore yesterday, met Prime Minister Prem Tinsulanon at his Sisao Thewet residence and was briefed about Thursday's House vote on Commerce Minister Surat Osathanukhro. Gen Chawalit said the Opposition had performed its duty to check the Government's performance, but it was now time to start working for the benefit of the people. The Army chief said his comments should not be taken to mean the Opposition's no-confidence debate on Pol Capt [police captain] Surat was not beneficial. "What the Opposition did was right," he said, "and it's time now for everyone to start working. The future of the country depends on the cooperation of all concerned." Gen Chawalit said he wanted to see the Government and Parliament get down to work because there was a lot of unfinished work left over from the last administration. The Democrat Party's decision to abstain from voting in support of Pol Capt Surat, he said, was a minor problem and could be forgiven. He did not believe the problem would affect government stability. [Text] [Bangkok BANGKOK POST in English 11 Oct 86 p 3 BK] /12913

MICHAEL ON 'RIFT'--Government spokesman Michael Wirawalthaya said the rift among coalition parties is now settled following the Democrats' abstention in Thursday's [9 October] no-confidence motion against Commerce Minister Surat Osathanukhro.. Mr Michael says conflicts of opinion among coalition members were quite normal in the democratic society and could happen again and again. He said that the government Parliament Coordination Committee would clear up misunderstandings on the Democrats' abstention during its weekly meeting on

Monday, while the Cabinet will proceed on the normal agenda in the meeting the following day. Urging the public not to panic over the events in Parliament, Mr Michai says such conflicts should be viewed as being similar to family disputes and is confident that the four coalition partners could work together for a long time. [Text] [Bangkok Domestic Service in English 0000 GMT 12 Oct 86 BK] /12913

KHLAEO'S MP TERM INVALID--The constitutional tribunal on Friday [10 October] delivered its verdict depriving Khon Kaen MP Khlaeo Norapati of his house membership for violating the electoral code in 1979. The tribunal's ruling ended years of legal haggling over the house status of the Community Action Party member who was found guilty of failing to declare his campaign spending in the 1979 election. The violation has led to the termination of his right to stand for election for five years. Parliament President Dr Ukrit Mongkhonnawin says he submitted the tribunal ruling which took effect on Friday to House Speaker Chuan Likphai so that he can make an official announcement later. As the result of the ruling, which cannot be appealed, the Interior Ministry is required to issue a royal decree calling a by-election in Khon Kaen Province to seek Mr Khlaeo's replacement within 90 days. [Text] [Bangkok Domestic Service in English 0000 GMT 12 Oct 86 BK] /12913

THAI RICE EXPORT FIGURE--Thailand exported 3.5 million tons of rice from January to September this year, up 9.3 percent from the same period last year, an official of the Board of Trade of Thailand said today. Value of nine months of export this year was estimated at 15.6 billion baht, which is about US\$601.1 million. During the first nine months of 1985, Thailand exported 3.2 million tons of rice worth 18.3 billion baht, or equivalent of US\$704.9 million. Earnings fell this year despite the increase in export volume because of low market prices around the world. Brazil topped the list of Thai rice buyers this year with purchases of 289,025 tons. Other major buyers of Thai rice included China, Senegal, Singapore, Madagascar, the Soviet Union, Malaysia, and Saudi Arabia. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 10 Oct 86 BK] /12913

POPULATION CENSUS--Thailand has now a population of 52.5 million. The local Administration Department's latest census as of 30 June this year shows 26.4 million of the people are male, and 26.1 million are female. Bangkok has the biggest population of 5.4 million, followed by the northeastern provinces of Nakhon Ratchasima with 2.2 million and Ubon Ratchathani with 1.7 million. Ranong Province in the South has the smallest population of 100,000. During the 6th 5-Year Development Plan which began this month, the government aims to reduce the growth rate in population to about 1.3 percent from 1.5 percent in the previous plan. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 10 Oct 86 BK] /12913

NO THREAT TO GANDHI--Indian community leaders said yesterday that Prime Minister Rajiv Gandhi's 19-20 October visit to Thailand will pass without incident. Sikh leader Kuldeep Singh Sachadev said the Sikh community is religious, united, and detached from politics. Mr Sachadev said members of the Sikh community were not behind a recent threat to Mr Gandhi's life which was made in a telephone call to the Indian Embassy. Hindu Association President Papat Pawa said members of the Indian community were eager to meet

their prime minister but there were only facilities for 300 to meet him at the Embassy. Mr Pawa said untoward incidents could affect Thai relations with India. Interior Minister Prachuap Suntharangkun said yesterday a committee will be set up to provide security during the visit. Special Branch Police said they would watch local and foreign Sikh radicals who might enter Thailand. Mr Gandhi, who is scheduled to have an audience with His Majesty the King and meet Prime Minister Prem Tinsulanon, will also receive an honorary Political Science doctorate from Chulalongkorn University. [Text] [Bangkok BANGKOK POST in English 9 Oct 86 p 6 BK] /12913

CENTRAL BANK CUTS INTEREST--The Bank of Thailand has reduced by 1.5 percent the interest on the rediscount facilities for exports of textiles to the United States which are subject to the countervailing duties (CVD). The announcement which was made on 3 October and circulated to commercial banks, would become effective on 13 October. The 1.5 percent cut would see the Central Bank charging only 11 percent interest against the current 12.5 percent from commercial banks which from 13 October will charge 13 percent as compared with the present 14.5 percent. However, such interest reduction would only apply to the export of Thai textiles to the U.S. market which are subjected to CVD. At present, the Central Bank has already provided such facilities to textile exporters to the U.S. market. Informed sources said the interest reduction was in compliance with the current interest situation in the U.S. The sources said that the commercial banks would be subjected to a fine of 2 percent per annum, as against 8 percent currently collected, should they fail to comply with the regulations imposed. The sources also said that the outstanding amount of the rediscount facilities for such purpose as of 7 October was 11.5 million baht. [Text] [Bangkok BANGKOK POST in English 9 Oct 86 p 13 BK] /12913

VIETNAMESE BOAT PEOPLE--Eighty-five Vietnamese boat people arrived in Thailand late last month, the Army Secretariat said yesterday. It said a Thai anti-piracy unit intercepted a Vietnamese boat with 85 people on board while approaching an oil rig in the Gulf of Thailand. The Vietnamese, detained for illegal entry, included 39 men, 21 women and 25 children. It added that a large number of Vietnamese people have continued to flee their homeland to seek resettlements in other countries. [Text] [Bangkok THE NATION in English 8 Oct 86 p 3 BK] /12913

TRADE WITH MALAYSIA--During the first half of this year Malaysia and Thailand registered a trade value of 10,129 million baht which is a decrease of 18.7 percent from the same period of last year. According to the bulletin of the Board of Trade. Malaysia is the second biggest trading partner of Thailand and for the whole of last year the two countries saw a trade exchange value of 24,378 million baht. The value of exports to Malaysia from Thailand was 4,833 million baht, a decline of 9.1 percent from last year's export value in the same period. Import value also declined by 25.8 percent with a value of 5,296 million baht for the first six months. Thailand, therefore, had a trade deficit of 463 million baht for the first six months from last year's 1,818 million baht which is a decrease of 74.5 percent. [Excerpt] [Bangkok THE NATION 6 Oct 86 p 19 BK] /12913

LOWER TRADE DEFICIT--Thailand registered a sharp drop of 85 percent in its trade deficit to about 7,316 million baht during the first nine months of this year compared with 48,215 million baht in the same period of last year, according to the Business Economics Department. The department reported that the country's export earnings increased by 17 percent between January and September to a total of 170,634 million baht due to increase in tonnage although the prices were relatively low. On imports, the departments said that the country imported goods and fuel oil among others, worth 177,950 million baht between January and September, showing a decline of 8 percent from the same period last year. [Excerpts] [Bangkok THE NATION in English 8 Oct 86 p 17 BK] /12913

POPULATION UP--The latest census shows Thailand has a population of 52,545,529, authorities said. The Local Administration Department's census, as of 30 June, shows 26,430,919 of the people are males and 26,114,610 are females. Bangkok has the biggest population of 5,446,708, followed by Nakhon Ratchasima with 2,245,845 and Ubon Ratchathani with 1,758,868. Ranong has the smallest population of 100,173. The population of the country had risen by 749,878 since the last census in December last year, the department said. [Text] [Bangkok THE NATION in English 8 Oct 86 p 3 BK] /12913

RICE FOR IRANIAN OIL--The Cabinet yesterday [7 Oct] approved in principle a proposal for the Commerce Ministry to buy an addition 240,000 tons of Iranian crude in exchange for a demand that Iran buys 110,000 tons of rice from Thailand. The Cabinet gave the endorsement as the ministry will be sending a trade mission to Teheran between 11-26 October to discuss the oil-for-rice issue. A memorandum of understanding was signed last January for Iran to buy 200,000 tons of Thai rice this year in return for 240,000 tons of Iranian crude. [Text] [Bangkok BANGKOK POST in English 8 Oct 86 p 28 BK] /12913

CSO: 4200/44

SPK REVIEWS COOPERATION, ASSISTANCE FROM GDR

BK071303 Phnom Penh SPK in English 1114 GMT 7 Oct 86

[Text] Phnom Penh SPK 7 October--Since the Kampuchea-GDR Friendship and Cooperation Treaty was signed in Berlin on 18 March 1980, the friendship and all-round cooperation between the two countries have constantly strengthened and developed with more agreements on economic, scientific and technical cooperation, on the GDR aid to Kampuchea, and on goods exchanges, etc.

In the first nine months of this year, the volume of goods exchange between the two countries reached nearly 1.5 million roubles (Soviet currency) as against 2.6 million rubles in 1985. Kampuchea exported to the GDR 400 tonnes of rubber, 490 tonnes of soybean and 49 tonnes of rubber and 500 cubic metres of timber are expected to be exported to the GDR for the rest of the year. In return, it imported from the GDR paper, insecticide, paint and other goods.

Kampuchea also imported from the GDR 300 Khmer-character typewriters. In five years from 1985 [as received] Kampuchea has annually imported 1,000 such typewriters from the GDR.

This year the GDR's disinterested aid to Kampuchea amounted to 18.7 million marks (GDR currency).

Under an agreement signed early last year, the GDR will help Kampuchea with materials and service to step up the rubber production on 10,000 Ha at Chanka Andong [rubber plantation], Kompong Cham Province.

On cooperation in culture and science, the GDR has provided scholarships to Kampuchean students and helped train Kampuchean workers. So far, 715 Kampuchean students and workers have received their training and studying in the GDR universities and vocational schools. Two-hundred-and fifty-five of them have been back home and are working in various ministries and public offices, factories or workshops.

A Kampuchean teacher has been sent to teach Khmer language at Humboldt University in Berlin. In return, two students from the GDR have come here yearly for one year to practice their Khmer. Up to now, there have been in Kampuchea 10 students and seven teachers from the GDR.

Under a protocol on physical training and sports between the two countries, two Kampuchean footballers have been sent this year to get training in the GDR. A GDR music professor has paid a visit to Kampuchea. The GDR has also supplied Kampuchea's fine art school with materials for painting and the cinematographic department under the Ministry of Culture and Information with a number of GDR films including feature and documentary films.

Three of them produced by the GDR film-makers entitled: "Kampuchea: Its Death and Revival," "The So-called (Angkar)?" and "Insecurity Triangle," reflecting the development of the Kampuchean nation and its revival from the genocide perpetrated by the Pol Pot clique during its rule between 1975 to 1979. Recently, a protocol on cooperation between the Kampuchean News Agency SPK and the ALLGEMEINER DEUTSCHER NACHRICHTENDIENST (ADN) was concluded in Phnom Penh.

Cooperation in health care is marked by the restoration of '17 April' Hospital in Phnom Penh by the GDR experts and physicians. There are now three GDR physicians working at the said hospital which was supplied with medicine and medical equipments of the GDR. This year five medical students will be sent to study in the GDR.

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CSO: 4200/44

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

HUNGARIAN DELEGATION VISITS--Phnom Penh SPK 8 October--A delegation of the Department of Administration of the Hungarian Socialist Workers Party, led by Peter Varga, member of the Hungarian Socialist Workers Party Central Committee and head of the department, arrived in Phnom Penh Tuesday afternoon for an official friendship visit to Kampuchea. The delegation was welcomed at Pochentong airport by Sim Ka, member of the People's Revolutionary Party of Kampuchea Central Committee and member of its Control Commission; Prach Sun, vice president of the party Commission for External Relations; and other Kampuchean officials. Lajos Karsai, Hungarian ambassador to Kampuchea was also present. [Text] [Phnom Penh SPK in English 1105 GMT 8 Oct 86 BK] /12913

AGREEMENT ON CSSR LOCOMOTIVES--Phnom Penh SPK 8 October--A minutes on Czechoslovakia's supplying two 1,200-horse-power diesel locomotives for Kampuchea was signed in Phnom Penh Monday in furtherance of an agreement on economic cooperation for 1986-1990 between the two countries. The signatories were, on the Kampuchean side, Oeu Roeun, deputy head of the Railway Company under the Ministry of Posts, Transport, and Communications; and on the Czechoslovak side, [words indistinct] locomotive exporting company. The latter was the head of a three-member delegation of Czechoslovak railway experts, who left here yesterday after a week-long friendship visit to Kampuchea. [Text] [Phnom Penh SPK in English 1107 GMT 8 Oct 86 BK] /12913

DELEGATION VISITS PRAGUE--Phnom Penh SPK 7 October--A delegation of the Commission for Propaganda and Education of the People's Revolutionary party of Kampuchea Central Committee left Phnom Penh Tuesday morning for Prague, Czechoslovakia, to attend the conference of the leaders of the institutes for research of Marxism-Leninism and relevant sciences of the Central Committees of the communist and workers parties, due to be held there from 13-18 October. The delegation was headed by Pav Hamphan, vice president of the commission. It was seen off at Pochentong airport by Nim Thot, vice president of the commission, and other Kampuchean officials. [Text] [Phnom Penh SPK in English 1106 GMT 7 Oct 86 BK] /12913

COMMUNICATIONS GROUP ATTENDS CONFERENCE--Phnom Penh SPK 7 October--A delegation of the Ministry of Posts, Transport and Communications of the People's Republic of Kampuchea led by its Vice Minister Chhim Seng left here today for the third conference of Indochina's ministries of posts, transport and communications due to be held soon in Hanoi, Vietnam. The delegation was seen off at Pochentong airport by Kim Seap, vice minister of posts, transport

and communications; and Nguyen Anh Kieu, Vietnamese charge d'affaires A.I. to Kampuchea. [Text] [Phnom Penh SPK in English 1108 GMT 7 Oct 86 BK] /12913

DELEGATION LEAVES FOR BULGARIAN CONFERENCE--Phnom Penh SPK 9 October--A delegation of the Kampuchean Journalists Association left here this morning for the 10th Congress of the International Organization of Journalists (IOJ) to be held in Sofia, Bulgaria, from 20-24 October. The delegation was led by Som Kimsuor, member of the People's Revolutionary Party of Kampuchea Central Committee, president of the association and editor-in-chief of the PRACHEACHUN paper. [Text] [Phnom Penh SPK in English 1128 GMT 9 Oct 86 BK] /12913

HUNGARIAN PARTY DELEGATION RECEIVED--Phnom Penh SPK 9 October--Ney Pena, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and minister of Interior, received here this morning the visiting delegation of the Department of the Administration of the Hungarian Socialist Workers Party led by Peter Verga, head of the department. Ney Pena, briefed his guests on the all-round achievements recorded by the Kampuchean people over the past seven years, particularly in national defence and construction. He said that the Hungarian delegation's visit here was a contribution to developing and strengthening the ties of friendship and solidarity between the two parties and peoples, and thanked the party, the government, the people and the working class of Hungary for their support and assistance to the Kampuchean revolution. Peter Verga, for his part, expressed his joy at the successes scored in all fields by the Kampuchean people who, he said, would score more successes in their national construction and defence. The Hungarian people always side with the heroic Kampuchean people in their struggle against enemies dark schemes to impede their revival, he stressed. [Text] [Phnom Penh SPK in English 1124 GMT 9 Oct 86 BK] /12913

CSO: 4200/44

READER ASKS ENFORCEMENT OF COURT ORDERS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Aug 86 p 1

[Contributing Opinions to the Party Congress column: "All Citizens and Party and State Organs Must Enforce Legally Binding Court Orders"]

[Text] I have an opinion to contribute to the party congresses at all levels: all citizens and state organs must enforce legally binding court orders. It is even more important that the party committee echelons enforce them.

In actuality, in the past and especially during the past several years, legally binding court orders have not been enforced. That has caused a considerable number of state organs from the central level down to the local level to waste much time in considering petitions and answering complaints from the people. I would like to only present evidence in the city. The Municipal Party Committee, the National Assembly delegates from the city, the Municipal People's Council, the Municipal People's Organ of Control, the Municipal People's Court and the Inspection Commission must receive every month a hundred complaints about a legally effective court order not being strictly enforced, most of which involve disputes over housing rentals. Why?

There are many reasons. In some cases the person who must carry out the order encounters difficulties. In some cases the court lacks marshals (people responsible for enforcing orders), and in a considerable number of cases the people who must carry out the order have conditions for doing so, and could even do so very easily, but a party organ or committee intervenes, which results in court orders not being enforced for years. There are even some places in which the precinct party committee has decided to set up inspection committees to review the court orders of the two court echelons (the court of first hearing and the court of appeals), and some organs have set up a council to reconsider the decisions of the court order. That clearly violates the Constitution and criminal law.

Why do the organs, even the local party committee echelons, impede the enforcement of the legally effective court orders?

I boldly recommend that the party congresses at all levels select party cadres who are capable and virtuous, and also have knowledge of law, to manage the daily work in the localities. The key cadres of the sectors should be

equipped with the minimum legal knowledge needed to maintain social discipline. Only thereby can we correctly carry out the teachings of Uncle Ho: "Party members must enforce the law toward everyone" and "Party members must lead the way for the rest of the nation."

Every year, when reviewing the qualifications of party members, the following should be part of the review contents:

Do they correctly implement policies and laws?

Do they support such legal organs as the public security police and the People's Organ of Control, in enforcing court orders vis-a-vis the cadres, workers, and civil servants of the organs they manage or which their organ must enforce?

Only thereby can all echelons and sectors, all organs, and all citizens enforce the law, and only thereby can the socialist legal system be increasingly obeyed, society be just, and social discipline be maintained.

Dinh Thi Nu
(Ho Chi Minh City
People's Court)

5616
CSO: 4209/868

WOMEN'S UNION MEMBERS CONTRIBUTE MORE THAN 3,000 OPINIONS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Aug 86 p 1

[Article by Thuy Tien: "More Than 3,000 Opinions Contributed to the Party"]

[Text] During the past 2 months, in addition to carrying out self-criticism and criticism of all aspects of their work, the municipal Women's Union at all levels has encouraged its cadres and members to contribute opinions on party building. In addition to organizing the contributing of opinions to the precinct and district party organizations, the Women's Union echelons have also extensively carried out the contributing of opinions to the local party organizations and chapters. In the subprecincts with large markets the subprecinct Women's Union executive committees have also solicited opinions from members of market chapters to be contributed to the Party. In general, the women have clear understanding of their role and responsibility vis-a-vis party building. More than 3,000 opinions have been contributed to the party.

The contributing of party building opinions by the Women's Union cadres and members has been carried out rather broadly and have attracted the participation of a large number of federation members, but a considerable number of women are still reluctant and contribute general opinions, or only mention events and are not specific with regard to specific individuals and deeds.

Adequate Attention Has Not Been Paid to the Women's Union

The most outstanding opinion in nearly all of the meetings held to contribute opinions was that the party committee echelons have not paid adequate attention to leading the women's movement, and lack continuous monitoring, supervision, and control. The party committee echelons have overemphasized the assigning of tasks to the Women's Union, especially campaigning for contributions for the "Front Line of the Fatherland" or the "Army's Rear Area," or give a blank check to the Women's Union in campaigning for the people to create "New Culture Families," campaigning for "planned parenthood." Meanwhile, the party committee echelons have failed to pay attention to or create conditions for the Women's Union to do a good job of fulfilling its function of proselytizing, propagandizing, and the political and ideological education of the masses. Many opinions criticizing the comrades in the party committee for bureaucratism, for not attentively listening to the thoughts and

aspirations of the women, and for not adhering closely to the mass movement, which results in their leadership of the movement lacking practicality. Many subprecinct and village party committees (in Precinct 5 and Thu Duc District) there is no committee member in charge of civilian proselytizing. The secretary of the party chapter is also responsible for this work, which leads to the situation of their having many tasks to do but do not effectively guide the women's movement.

With regard to the lives of women and children, the women are very sympathetic toward the nation's present difficulties, but the party committees should not for that reason regard lightly the health of children of day-care center and nursery school age. At present, many subprecinct and village party committees assign the task of assisting the day-care centers and nursery schools to the production and commercial installations and to the subprecinct marketing cooperatives. Those installations can give only a certain amount of support, so the quality of meals of children at the day-care centers and nursery schools is very low.

Many women criticized the party committee echelons for neglecting the female cadres work and for not being concerned with cultivating them and improving their work ability, such as by raising their political level. Although Directive 44 of the and Resolution 176a of the Council of Ministers on the female cadre work have been disseminated down to the basic party units, not much has been accomplished in implementing them. In some places, such as Phu Xuan village in Nha Be District and Subprecinct 7 in Precinct 5, the party committee echelons have not added a female party member in 10 years. In the structure of the Cu Chi District party committee there is no representative of the district Women's Union chapter. In many places the party committee echelon has transferred cadres to other work without seeking the opinions of the precinct and strict Women's Union chapters, which has caused considerable difficulties for the women's movement at the basic level.

Recommendations

A matter that large numbers of women wanted and recommended most was that the party committee echelons pay adequate attention to the female cadre work. They must be concerned with resolving the policies and regulations for Women's Union cadres and female cadres who are capable and have made contributions for many years. They must also have plans for the long-range training and cultivation of youths, so that they can be capable of fulfilling their missions in new phase of the revolution. The comrades assigned responsibility for civilian proselytizing must have plans to go to the basic level and must take the initiative in recommending to the party committee echelons ways to resolve difficulties in building up the women's movement in the localities. They must refrain from assigning too much responsibility to the Women's Union to campaign for the people to make contributions, and should create conditions for the Women's Union to do a good job of fulfilling its functions. In addition, the Women's Union members recommend that the party committee echelons create conditions for the Women's Union to have operational funds, such as allowing it to set up a service network in the locality or installations for processing foodstuffs. The profits earned from those installations will be used to supplement the union's operational funds.

The Women's Union members also recommend that the relevant functional departments and sectors reconsider allowing the construction of a large number of stores and restaurants at a time when many difficulties are being encountered in the lives of the cadres, workers, and civil servants and the great majority of the laboring people. They should use those construction materials to build such welfare installations as schools, day-care centers, hospitals, etc., and demolish ramshackle houses along the canals.

5616

CSO: 4209/868

READER URGES IMPROVEMENT OF MANAGEMENT PRACTICES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Aug 86 p 1

[Contributing Opinions to the Party Congress column: "Abandon Arbitrary, Partialistic, and Unclear Management Practices"]

[Text] A superior socialist state must have a perfect administrative system. The story of administrative management practices may be an old one, but perhaps not old vis-a-vis many organs and units in our country at present.

Ordinarily the system of stipulating functions, authority, and missions of the units, bureaus, and departments are promulgated at the bureau, enterprise combine, or corporation level and passed down to be implemented.

In many organs and units some leadership cadres who are advanced in years and have brought peasant and guerrilla working methods and styles into their work find it difficult to abandon their familiar management methods. In other words, leadership has a family nature, and is based on sentiment and personal relationships, and they handle specific, immediate problems as if they were family problems, which leads to such difficult-to-resolve problems as the following:

1. The appearance of a number of people who have hidden, unauthorized power beyond the functions and authority assigned them. That is usually called "living beyond the law" in the unit.

2. The creation of internal instability. Because underlings are hired directly they disregard the upper echelon and like to work directly with the director, so the director must give direct orders to get things done.

3. The duplication of efforts by the bureaus and departments, without stipulating what person or bureau is responsible for tasks. The bureaus work independently, there is a lack of contact, there is a situation of "every man for himself," and the bureaus are passive and dare not make recommendations.

4. The bureaus do not do a good job and do not clearly understand their functions, missions, and rights, and their records are chaotic.

I know about a director of a certain enterprise who has such a work style and

is even proud that he is "close to the lower echelon"! For example, because the head of the administrative office was a personal friend he acted as if he were a deputy director in charge of administration and dealt directly with the director with regard to repairs and supply. In one place machinery, personnel, and materials were transferred but the accounting office was not informed because the director directly sent someone to carry out that task, thinking that it was a matter of internal transfers.

That working method does not bring that organizational apparatus into play, causes the functional offices and departments to only be figureheads, and is one of individualism. That working method will cause difficulties for the person who is sent to replace the head because he will not have the personal relationship of the former head.

I once heard a funny story about management at a corporation in an advanced country. No one knew what the director looked like and wouldn't recognize him even if they met him in the enterprise, but the enterprise was very famous because the capabilities of the personnel were brought into play and when the director took a month's leave but the work continued as usual. Every day he set aside time to meet with the office heads to resolve problems and did not concern himself with resolving the work of the lower echelon, except when real difficulties were encountered which the lower echelon could not resolve. That is in contrast our country, in which many bosses plunge in to do the work of the lower echelon, which causes the lower echelon to be passive and dependent, while the boss is very "busy" but neglects his primary missions.

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HOG, CHICKEN IMMUNIZATIONS TERMED INEFFECTIVE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Aug 86 pp 1, 4

[Article by "H.V.": "Many Hogs and Chickens Get Sick and Die After Being Inoculated"]

[Text] Recently, the actual situation in a number of animal husbandry units has shown that the various kinds of vaccines against pasteurellosis of water buffaloes, cattle, and hogs, and vaccines against hog cholera have relatively good quality when fresh. However, the quality of some kinds of vaccines against swine salmonellosis and dry-frozen vaccines against hog and chicken cholera and avian diphtheria is not ensured. Many domestic animals have gotten sick or died after being inoculated.

At the Tam Binh chicken farm in Thu Duc the ratio of inoculated chickens which die is more than 40 percent. At the 3 February hog farm and the Khang Trang Animal Husbandry Enterprise of Hog Raising Corporation No 1, between 10 and 40 percent of the inoculated hogs die. A number of other animal husbandry farms are encountering similar situations.

The veterinary medicine research organs, the Municipal Veterinary Medicine Station, and the livestock farms must promptly find ways to completely overcome the problem and contribute to stabilizing the present animal husbandry movement.

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ENTERPRISE SETS GOAL OF 60,000 TONS OF FERTILIZER

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Aug 86 p 1

[Article by "N.D.": "Sixty Thousand Tons of Fertilizer To Be Produced To Serve Agricultural Production"]

[Text] Baked Phosphate Fertilizer Enterprise No 1 of the Chemicals General Department urgently designs, constructed, and gradually brought into operation six "Sixth Congress" projects. They included a hot air ventilation system for vertical kilns Nos 1 and 2 to reduce the consumption of fuel and increase the kilns' capacity; a system to recover nickel clinkers from the semi-finished phosphate fertilizer to improve product quality; a facility to produce NPK mixed fertilizer with an output of 10,000 tons a year, which created jobs for more than 100 workers; the installation of equipment and the drafting of technical procedures to produce from byproducts resulting production in the factory; completing a research project to inject oil into the vertical kilns to replace some of scarce fuel and rapidly improve the quality of phosphate fertilizer; and the installation of a system to produce glazed brick to serve production. Those projects were designed, constructed, and equipped by the enterprise's technical cadres and workers, who used locally obtained materials and raw materials. During the past 7 months the enterprise has overcome many difficulties to produce more than 31,680 tons of fertilizer of all kinds and manifested determination to produce 60,000 tons during the year, a 33 percent increase over the same period last year.

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